

The background of the entire page is a photograph of an elderly couple and a baby. The man on the left is smiling and looking towards the right. The woman on the right is looking down at a baby who is being held by the man. The image has a blue tint and a semi-transparent dark blue overlay that contains the text.

# **Indiana Low Income Home Energy Assistance Program**

**PROGRAM OPERATIONS MANUAL 2017-2018**

# CONTENTS

<b>1. INTRODUCTION.....</b>	<b>6</b>
1.1 About the EAP Program.....	6
1.2 Regular (Federal) EAP Benefits.....	7
1.3 Indiana Home Energy Assistance Program (State EAP) .....	7
1.4 Weatherization Referral Process .....	8
1.5 EAP Operation .....	8
<b>2. Moratorium .....</b>	<b>10</b>
<b>3. Crisis Assistance.....</b>	<b>12</b>
3.1 Crisis (48 Hour Response) .....	12
3.2 Life-threatening Crisis (18 Hour Response) .....	12
3.3 Crisis Intervention .....	13
3.4 Crisis Timeline .....	13
3.5 Crisis Benefit.....	14
3.6 Crisis for Limiters, Meters and Prepaid Services.....	15
3.7 Other Crisis Intervention Strategies .....	17
<b>4. EAP Application Processing .....</b>	<b>17</b>
4.1 Application Sites .....	18
4.2 Mail-In Applications .....	19
4.3 Application Packet .....	19
4.4 LSP Employee or Sub-Contractor Applications .....	20
4.5 Denied Applications .....	21
4.6 Client Appeals .....	21
4.7 Arrearages .....	22
4.8 Performance Measures Data Collection .....	22
<b>5. EAP Eligibility.....</b>	<b>23</b>
5.1 Who can get EAP benefits?.....	23
5.2 Who can get State EAP? .....	23
5.3 Who Should be Considered Part of the Household? .....	24
5.4 Who Should Not be Considered Part of the Household? .....	25
<b>6. EAP Documentation .....</b>	<b>27</b>
6.1 Photo Identification .....	27
6.2 Indiana Residency .....	27
6.3 Citizenship/Qualified Non-US Citizen.....	27

6.4	Proof of Utility Payments.....	28
6.5	Social Security Number .....	29
6.6	Social Security Verification .....	30
6.7	Renters.....	31
6.8	Recertification of Fixed Income Applicants .....	33
6.9	What Documentation Should be in the File? .....	33
<b>7.</b>	<b>EAP Income Computations.....</b>	<b>35</b>
7.1	What should be counted as Income? .....	38
7.2	What Should Not be Counted as Income? .....	45
7.3	Clients with Zero Income .....	50
<b>8.</b>	<b>EAP Benefit Matrix .....</b>	<b>50</b>
8.1	Regular Benefits.....	51
8.2	Household Information .....	51
8.3	Poverty Level Determination .....	51
8.4	Dwelling .....	53
8.5	At-Risk .....	53
8.6	Fuel Source.....	55
8.7	On-Time Payment Incentive .....	55
8.8	Electric Utility Payments .....	56
8.9	State EAP Benefit.....	56
8.10	Calculating Crisis Assistance for Regulated Utilities .....	56
8.11	Calculating Crisis Benefits for Unregulated Utilities .....	57
8.12	Total Benefit.....	58
8.13	Credit Balance .....	59
8.14	Inoperable Heating Source .....	60
<b>9.</b>	<b>Summer Cooling Assistance Program .....</b>	<b>60</b>
9.1	Summer Cool Eligibility .....	61
9.2	Summer Cool Benefits .....	61
9.3	Window Air Conditioners .....	61
<b>10.</b>	<b>LSP Financial Management.....</b>	<b>63</b>
10.1	Claims.....	63
10.2	LSP Budgets.....	63
10.3	Benefit Costs .....	65
10.4	Eligibility (Admin) Costs .....	66

10.5	Assurance 16 .....	66
10.6	Program Support Costs.....	69
10.7	CSBG Funds.....	69
10.8	LSP Online Claims Submission .....	70
10.9	Transmittals for Moratorium Protection Only .....	70
10.10	Closeout.....	70
10.11	Procurement .....	71
<b>11.</b>	<b>Monitoring and Compliance .....</b>	<b>71</b>
11.1	Monitoring Process .....	72
11.2	Monitoring Report.....	72
11.3	Quality Improvement Plan (QIP) .....	74
11.4	Modified Quality Improvement Plan (MQIP).....	75
11.5	Internal Controls.....	76
11.6	Confidentiality and Security.....	77
<b>12.</b>	<b>EAP Vendors .....</b>	<b>79</b>
12.1	Memorandum of Agreement (MOA) .....	80
12.2	EAP Vendor Notification Procedure.....	80
12.1	Transmittals.....	81
12.2	Procedures for Fraud, Waste and Abuse .....	84
<b>13.</b>	<b>Special Programs .....</b>	<b>88</b>
13.1	Lifeline/Link-Up .....	88
13.2	The USP (Universal Service Program) .....	89
13.3	CARE Program (NIPSCO) .....	89
13.4	Duke LED/CFL Program .....	89
13.5	Family Development Program .....	90
13.6	Medical Programs .....	90
<b>14.</b>	<b>Leveraging Incentive Program .....</b>	<b>90</b>

## APPENDICES

Appendix	A	Local Service Providers (LSPs)
Appendix	B	IHCDA Department of Community Programs Contact 2017-2018
Appendix	C	Indiana Utility Disconnect Moratorium Policy
Appendix	D	Utility Affidavit
Appendix	E	Indiana Workforce Development Release of Information
Appendix	F	Applicant Approval Notification.
Appendix	G	Statewide Application
Appendix	H	Do I Qualify for Recertification?
Appendix	I	Applicant Denial Form
Appendix	J	Declaration of Household Members
Appendix	K	Landlord Affidavit
Appendix	L	ACH Authorization Form
Appendix	M	Application Approval Letter for Applicants with Utilities in Rent
Appendix	N	Zero Income Affidavit
Appendix	O	Energy Assistance Program Benefit Matrix.
Appendix	P	Regional Map
Appendix	Q	Benefit Waiver Request Form
Appendix	R	Air Conditioner Affidavit
Appendix	S	Energy Assistance Program Budget
Appendix	T	EAP Closeout Form
Appendix	U	Energy Assistance Program Wood Vendor Certificate
Appendix	V	EAP Utility Vendor Memorandum of Agreement
Appendix	W	Energy Benefit Transfer Request Form
Appendix	X	Self-Declaration of Primary Fuel Source Level
Appendix	Y	List of Manual Changes
Appendix	Z	List of Removed Manual Sections
Appendix	AA	Declaration of Inoperable Heating Source
Appendix	BB	Your Rights and Responsibilities

# 1. INTRODUCTION

## 1.1 About the EAP Program

The Low-Income Home Energy Assistance Program (LIHEAP) Block Grant is a non-competitive, federally funded block grant offered through the U.S. Department of Health and Human Services (HHS). The LIHEAP Block Grant funds individual states to assist low-income families with the high cost of their home energy. Since July 1, 2006, the block grant has been administered by the Indiana Housing and Community Development Authority (IHCDA). The program is managed by the agency's Department of Community Programs. Throughout Indiana, this program is known as the Energy Assistance Program (EAP).

Community based organizations are designated by federal regulation and under contract with the IHCDA as the local agencies administering the Energy Assistance Program. The State has designated twenty-two (22) community organizations referred to as *Local Service Providers* (LSPs). A complete list of local service provider contacts can be found in ***Appendix A –Local Service Providers***. Applications are accepted in person, through a mail-in process, or through another subcontractor. These organizations are responsible for eligibility determination and timely submission of payment transmittals to vendors. These organizations ensure that the program covers all 92 counties. Also see ***Appendix B - IHCDA Department of Community Programs Contact 2017-2018*** for all community programs contacts.

The Energy Assistance Program treats all households equitably when determining eligibility. The program serves low-income households subject to an energy burden. The program responds promptly to eligible households with a heating emergency. EAP can provide benefits to off-set the high costs of energy, but does not traditionally have the funds available to pay all of a household's energy costs.

IHCDA will render training and technical assistance to the service providers, as needed or requested.

Information about the program, as well as documents such as this manual, appendices, and EAP intake sites, can be found on-line at [www.eap.ihcda.in.gov](http://www.eap.ihcda.in.gov). For questions concerning the program, please contact the Community Programs Manager for the Energy Assistance Program:

Indiana Housing and Community Development Authority Toll Free: 1-800-872-0371, or email [Liheap@ihcda.IN.gov](mailto:Liheap@ihcda.IN.gov)



## 1.2 Regular (Federal) EAP Benefits

The purpose of EAP funds is to ensure that all eligible clients within the State of Indiana who have an energy burden have utility service primarily during the winter months. **When an eligible client has his or her own utility bill**, EAP benefit payments are made directly to the utility vendors on behalf of the eligible household. **When an eligible client has his or her utilities included in the rent, the client will be paid the EAP benefit directly.** Vendors include regulated heating and electric utilities who provide electricity and/or natural gas; bulk fuel, LP, and other non-regulated vendors who provide fuel oil, LP gas, coal, wood, kerosene or pellets. The delivery fee for fuel oil, LP gas, coal, wood, kerosene, or pellets should be part of the benefit.

## 1.3 Indiana Home Energy Assistance Program (State EAP)

**Homeowners may also be eligible for the Indiana Home Energy Assistance Program also known as State EAP.** Effective July 1, 2012, the Indiana State Legislature enacted HEA 1141, which created the new Indiana Home Energy Assistance Program. This program is funded by the multistate mortgage settlement fund. The State Budget Agency remits payment, equal to amount of the gross tax revenue collected, to the Office of the Lieutenant Governor no later than October 1. The funds are sent to IHCDA to administer the program. The Indiana Home Energy Assistance Programs (State EAP) provides home energy assistance to homeowners. The program uses the same eligibility standards as the federally funded Low Income Home Energy Assistance Program (LIHEAP). Renters are not eligible for this benefit. The State EAP Program runs parallel to the LIHEAP program: October 1 to September 30.

Each LSP will be given five percent (5%) of State EAP funds toward administrative expenses. Each LSP will also receive funding to provide homeowners with \$60 toward the primary heating source. This amount will be calculated based on the number of homeowners who received a LIHEAP benefit during the previous program year.

Homeowners can receive three different benefits from the program:

- **Regular assistance** to the primary heating source: Each homeowner who has applied for and has been approved for LIHEAP benefits is eligible to receive \$60 toward the primary heating bill. The funds should be added during the application process.
- **Crisis assistance:** **Homeowners who receive a State EAP benefit and qualify for a crisis benefit should receive the crisis benefit at the time of initial application.** Clients are allowed to return after March 15 for an additional benefit if there is a new documented crisis.
- **Weatherization Assistance Program (WAP):** The Weatherization Assistance Program is a federally funded program through the U.S. Department of Energy (DOE) and Health and Human Services (HHS). As of program year 2017-2018, households with income up to 200% of poverty for DOE and LIHEAP are eligible for WAP. The program is administered by the State of Indiana through

the Indiana Weatherization Assistance Program. Provisions in the LIHEAP Block grant law require that LIHEAP and WAP coordinate. Indiana fulfills this function by referring eligible homeowners to WAP.

## 1.4 Weatherization Referral Process

Homeowners completing the EAP applications should be advised of the weatherization program and asked if they would like to be referred to the program. All clients who ask for EAP weatherization should be put on a waitlist. Referrals must be documented in the State's database system. Clients with no income being referred to the Weatherization Assistance Program must complete a Zero Income Claimant affidavit. This should be notarized after completing the referral.

Agencies may still pull waitlists from IWAP or the State's EAP database based on points, in order to contact high-need clients. However, LSPs should ensure that all clients who have asked for weatherization are put on a waitlist, regardless of their matrix point level.

## 1.5 EAP Operation

The PY 2018 statewide Heating Assistance Program will begin November 1, 2017 and end on May 18, 2018. The following program administration dates will apply for the upcoming heating season:

PRE-PROGRAM YEAR SEASON	
Key Dates	Purpose
August 1, 2017	LSPs may send mail-in application packets to at-risk households and/or households determined needing assistance by local LSPs. LSPs may distribute EAP Applications and/or post to their websites for the general public.
August 14, 2017	Grantee Plan Packet due. Local intake and satellite locations with physical addresses, telephone number, and hours of operation due.
September 4, 2017	Applications may be entered into the State EAP database.
September 8, 2017	Local application sites, addresses, phone numbers, and times of operation.

EAP ASSISTANCE SEASON	
Key Dates	Purpose
October 2, 2017	Internal control procedures due to IHCD. LSPs may schedule appointments for the start of the program. Clients may complete an online EAP application for benefits.
October 1, 2017– September 30, 2018	Federal and State EAP Program Year.
November 1, 2017	Statewide start of the Heating Assistance Program and State EAP program:



	<ul style="list-style-type: none"> <li>• In-person appointments intake process may begin</li> <li>• Transmittals may be sent to utility vendors.</li> <li>• Applicant Notification letters may be sent to clients.</li> <li>• State Crisis applications can be accepted.</li> </ul>
December 1, 2017	Start of Moratorium Protection.
January 31, 2018	First Benchmark: 45% of funds should be spent.
March 16, 2018	Second Benchmark: 60% of funds should be spent.
March 15, 2018	End of Moratorium Protection at midnight.
April 18, 2018	Final Benchmark: 75% of funds should be spent.
May 18, 2018	End of Federal EAP Heating Assistance Season program statewide. Federal EAP applications may no longer be accepted.
June 1, 2018	All incomplete Federal EAP applications must be fully processed
June 2018	Start of Summer Cooling Assistance Program (if available). Accept new applications for A/C units only.
July 2018	Accept applications from new households (who have not received heating assistance), if funding is available.
August 17, 2018	End of State EAP program (regular and crisis)
Mid-August 2018	End of Summer Cooling Assistance Program, applications may no longer be accepted
August 31, 2018	All EAP incomplete applications must be fully processed and vendors reconciled.

PROGRAM CLOSEOUT	
Key Dates	Purpose
September 28, 2018	Last day to submit transmittals to IHCD. All quality assurance reviews (at least 10%) of client files must be completed.
November 15, 2018	Closeout Reports due to IHCD. All claims must be submitted for reimbursement.

Quick reference guide to the standard timeframes routinely used within the EAP program:

Critical Timelines for - Intake Process	
Turnaround Time	Response Requirement to Applicant
18 Hours	Life Threatening Crisis Assistance.
48 Hours	Crisis Assistance.
7-10 Days	Incomplete Application Denial.
10 Days	Process time for face-to face appointments, notify of approval or denial. Applicant written appeal to LSP. LSP written appeal response to applicant/client.
60 Days	Maximum time period to process mail-in and online applications from the date the application is complete

	<p>Maximum time period to notify mail-in applicants after eligibility is determined.</p> <p>Maximum time period before an application must be denied (Applicants must submit new application 60 days after initial application date).</p> <p>Maximum time period a client has to provide requested documentation.</p> <p>60 days processing time does not start until November 1.</p>
--	---

## 2. Moratorium

In 1983, the Indiana General Assembly enacted Indiana Code 8-1-2-121 governing the termination of natural gas and electric service without the customer's request. This law states that a utility (municipally-owned, privately-owned or cooperatively-owned) may not, during the period from December 1 through March 15 of any year, terminate residential utility service to any customer who is eligible for and who has applied for the Energy Assistance Program. This includes utilities who are electric or gas, including a municipally owned, privately owned, or cooperatively owned utility. The definition of *municipally owned utility* means every utility owned or operated by any city or town in Indiana. See [Appendix C - Indiana Utility Disconnect Moratorium Policy](#).

The language contained in the Indiana Code does not limit moratorium protection based on the method that the regulated utility uses to provide electric or gas service. Therefore, vendors who render service using limiters, meters and prepaid services must provide moratorium protection to EAP clients as prescribed in by law and reiterated in the annual EAP memoranda of agreement.

Any household who has qualified for EAP on or after October 1 cannot have its service disconnected between December 1 and March 15. Utilities may not disconnect service to EAP recipients if:

- The customer has submitted a complete application and has been determined eligible by the local LSP or their subcontractor; and/or,
- The customer has submitted a complete application and a staff person at the LSP is determining eligibility (submitting an application makes a household eligible for the moratorium). If the local LSP does not have sufficient resources to conduct a timely eligibility review, then the household is still protected until eligibility can be determined.
- The household has an account in good standing, which is defined as not in disconnect status on December 1.
- The customer has furnished proof to the utility provider of his/her application to receive Energy Assistance, or the local LSP has notified the utility in writing.

Once the household has submitted an application and has been deemed or is being deemed eligible for the EAP benefit, the client is protected under the moratorium, whether a benefit has been received or not. Clients deemed eligible for EAP, without a benefit, will be placed in a HOLD status. All clients deemed eligible, but in a HOLD

status, will be placed on a report. That report will be submitted to the utility vendors to ensure moratorium protection. Once funding is available, clients on the Hold Status Report will be approved, and the vendors will be contacted about EAP benefits.

### **Disconnection Prior to December 1**

If a client who has qualified for EAP has a past due bill and that client does not make a payment before December 1, the utility has the right to disconnect that client before December 1, since that client is not yet protected by the moratorium. If the same client has active service as of December 1, the utility may not disconnect that client until March 15.

### **Benefit Refusal**

A utility vendor may refuse an EAP benefit at any time during the heating season. Benefit refusal does not prevent moratorium protection. A client who has submitted a complete application and is being deemed or has been deemed EAP eligible and has active service on December 1 will receive moratorium protection through March 15.

### **Landlord/Tenant Agreements and Moratorium Protection**

Circumstances may arise where landlords and tenants must create a utility payment arrangement to ensure that the utility bills are paid on time. This policy provides clarification on moratorium protection when the payment arrangement between the landlord and client is breached.

If the utility is listed in the landlord's name, but the client has breached payment agreement with the landlord, the landlord may request service disconnection during the moratorium period. Though the client was deemed eligible for EAP assistance, the landlord is the customer of record on the utility bill.

If the utility is listed in the client's name, but the landlord has breached the payment agreement, then the client is protected under the moratorium because the client is the customer of record on the utility bill.

### **Disconnection during Moratorium**

Regulations allow utilities to disconnect service for a customer otherwise covered under the moratorium in the following circumstances:

- If a condition dangerous or hazardous to life, physical safety, or property exists.
- Upon order by any court, the Indiana Utility Regulatory Commission (IURC) or other duly authorized public authority.
- If fraudulent or unauthorized use of electricity or gas is detected, and the utility has reasonable grounds to believe the affected customer is responsible for such use.
- If the utility's regulating or measuring equipment has been tampered with and the utility has reasonable grounds to believe that the affected customer is responsible for such tampering.
- Death of the single household customer (moratorium applies to the household not the house).

### 3. Crisis Assistance

A regular (Federal) crisis benefit can be provided at the time of application for households whose regular heating benefit cannot assure service (regulated utilities) or guarantee delivery (bulk fuel). The agency must use Crisis Assistance funds to alleviate the situation. Crisis Assistance must guarantee continuation of service. If crisis funds cannot guarantee continuation of service, then it should not be offered to the household.

The LIHEAP statute requires that states reserve a reasonable amount of funds each fiscal year for crisis intervention. In Indiana, these funds make up the Crisis Assistance line item in each LSPs budget and are reserved through March 15 each program year. Though clients receive moratorium protection between December 1 and March 15, agencies should extend crisis benefits consistently during the entire heating season, including the moratorium period. LSPs are required to set aside at least eight percent (8%) of their budget to assist with crisis applications. Funds budgeted for crisis should be used at the time of application in an energy emergency.

State EAP includes additional Crisis benefits for homeowners. Homeowners who are in crisis the time of initial application should receive a State EAP crisis benefit.

Clients receiving Federal and State crisis are allowed to return after March 15 for an additional crisis benefit if there is a new documented crisis as long as the household has not yet reached the maximum crisis amount per application.

#### 3.1 Crisis (48 Hour Response)

*Reference: LIHEAP Statute Section 2604 (c) (1).*

A LIHEAP-eligible crisis situation is an energy emergency when there is a potential shut-off or depletion of the energy sources and is not considered a life-threatening crisis situation. Non-life threatening crisis situations must be alleviated within forty-eight (48) hours from the time of application.

##### **Utilities:**

- Has received a current Notice of Disconnection on residence primary heating sources, such as the electric or national gas utilities but not yet disconnected.

##### **Bulk Fuel:**

- Low on bulk fuel (at or below 25% of a tank), not out of fuel.
- Households that heat with biofuels, such as corn or wood pellets, coal or wood, may self-declare that they are within ten (10) days of running out of their primary heating source, see [\*Appendix X – Self Declaration of Primary Fuel Source Level\*](#).

#### 3.2 Life-threatening Crisis (18 Hour Response)

*Reference: LIHEAP Statute Section 2604 (c) (2).*

A LIHEAP-eligible life-threatening crisis must be alleviated within eighteen (18) hours from the time of application. A life-threatening crisis situation is defined when either of the following are met:

- Heating and/or electric service is currently shut off or disconnected, or out of bulk fuel (empty tank) and there is a documented medical need with an extreme safety concern.
- There is a need for a propane tank safety inspection.

### **3.3 Crisis Intervention**

The LIHEAP statute (42 U.S.C. 8623, § 2605) requires a timely and effective energy crisis intervention program for households in need of immediate assistance.

Timely Intervention - If the eligible household is experiencing an energy emergency the local LSP and/or its subcontractor must provide intervention that will resolve the crisis within 48 hours from the time of application. Assistance must be provided within 18 hours of the time of the application, if a life threatening crisis exists. This response must be designed to protect the health and safety of the household members. For the LSPs part, the extension of crisis benefits and other services constitutes a proper response to the emergency. Appointments are scheduled when the first available time slot becomes available.

Agency procedures must be in place to address a crisis within the time frames noted above. This can be accomplished by maintaining open appointment slots each day to address crisis applications.

### **3.4 Crisis Timeline**

In order to comply with the crisis intervention timeline, LSPs must take action within the 18 or 48 hour timeframe and document these steps.

- Once a household contacts an LSP about a crisis situation, the agency must schedule an appointment with the first available opening in the appointment schedule. When the appointment is scheduled, the agency should advise the caller to either contact the utility vendor or have the household contact the utility vendor(s) to let them know that an EAP appointment has been scheduled and inquire about payment arrangement options until the appointment is completed. Doing this can be considered a mitigating action for the 18/48 hour timeframe.
- LSPs must ensure that the date that the crisis application is received is recorded in the State's EAP database. To track the crisis timeline properly, the date to be recorded in the State's EAP database is not the date that the application was complete, or the date of the appointment. The timeline for the 18 or 48 hour crisis must start on the date that the client contacts the agency with a crisis (or the date

that a mail in application with crisis is received). The LSP can also record the date the application was complete.

- The LSP must document in the note section of the State's EAP database what actions have been taken within the 18/48 hour timeframe to mitigate the crisis. If the appointment is not within the 18/48 hour timeframe, agencies should ensure that they take some other kind of action such as calling the vendor to see if the disconnect can be delayed, telling the client to call the vendor, telling the client about other resources, or other mitigating strategies (see list below) to help alleviate the situation. Giving the client an appointment and telling them to let their utility company know that they have an appointment is a mitigating strategy. Please note that giving out space heaters is not an approved mitigation strategy.
- LSPs must take care to distinguish mail-in applications with crisis from regular applications.
- At the appointment, the agency must ensure that the client **either** submits a complete application or is **informed which documents are missing for completion**. The eligibility process should be **expedited wherever possible**. The agency should determine eligibility as soon as the application is completed.
- The agency should enter the application to the State's EAP database and **be sure to record the original date/time that the client first contacted the agency**, as well as the date/time stamp that the application was completed.
- The agency should contact the client if the regular and crisis assistance is not sufficient to prevent the crisis and if additional payments need to be made to alleviate the crisis. If so, the agency should ask the client to provide documentation that the payments were made or the **LSP can contact the vendor directly and get verbal confirmation**.
- Once eligibility has been determined, the agency must immediately contact the utility vendor and client about EAP approval.

In addition, all LSPs must provide clients information about mitigating a crisis during non-business hours. LSPs should identify local organizations that provide utility assistance when the offices are closed. For example, in certain parts of Indiana, LSPs may tell clients to call 211 as the primary referral source or develop additional local methods.

### 3.5 Crisis Benefit

Crisis benefits may be applied if the household owes money on the heating and/or electric source. To be eligible for the crisis benefit, the household must have lost service or be in danger of losing service. Crisis benefits will be distributed as follows:



	Federal EAP Crisis	State EAP Crisis	Calculation	Timeline
Regulated utility	Up to \$200	Up to \$150	The client will present a utility bill	Client can come back after March 15 <sup>th</sup> for the rest of State EAP which has not already been awarded
Unregulated (bulk fuels)	Up to \$400	Up to \$150	Client can get the full \$400 at the time of application in order to have a full fill.	Clients can come back anytime during the heating season if there is a new crisis and they have not received the full benefit.

The allowable crisis benefit is the actual amount needed to maintain or restore service. For regulated utilities, the household must provide a utility bill with a disconnect amount or verification from the utility company that the client is up for disconnect. The agency must show in the client file how the crisis award was determined. See section 8, Matrix, for crisis benefit calculations.

### 3.6 Crisis for Limiters, Meters and Prepaid Services

#### Prepaid Bulk Fuel Accounts

Some bulk fuel customers have prepaid services called cash for delivery or cash only accounts. Prepaid services are eligible for EAP regular and crisis benefits if the account is in the name of applicant household member or landlord.

#### Metered Bulk Fuel Accounts

Some bulk fuel clients have “metered propane tanks”. The metered propane tank is a computerized bulk fuel tank that is controlled by a centralized computer system. Clients have an automated delivery schedule based on the amount of fuel in the tank, time since the last delivery, and outside temperature. The client receives a monthly bill that is based on the amount of fuel used within a thirty (30) day window. Clients who fall behind on their monthly bill will receive a notice of disconnection with a disconnection amount. If the disconnection amount is not paid, the tank will be turned off from the centralized computer. The bill must be paid before the tank is turned back on and the client will not be switched to a cash-for-delivery contract. Clients with these types of tanks are considered unregulated and are eligible for up to \$400 crisis assistance.

Vendors using limiters, meters and prepaid services must provide moratorium protection to EAP clients. Vendors may impose daily or other limits to clients wherein a brief interruption of service is used to notify a client they are nearing or over the maximum usage.

However, an interruption in service longer than thirty minutes to an hour may be a breach of Indiana Code: 8-1-2-121.

### **Budget Plans and Payment Arrangements**

Clients with regulated utilities on a budget billing plan are eligible for crisis assistance even though the monthly utility bill is being maintained by a pre-arranged payment plan if they produce a disconnection notice, **show that the prepaid account is near zero**, or show that they have a negative balance and that the service will be terminated.

Clients with unregulated utilities who have a negotiated payment plan are eligible for crisis even though the payment plan ensures that clients receive bulk fuel deliveries on an automated schedule, as opposed to calling when the tank is low. Bulk fuel clients should provide a notice or other statement that the bill is past due and that they will not receive an automatic tank refill.

### **Prepaid Accounts**

**When a client has a prepaid account, generally, the client must pay in advance for his or her utility. Because the account is always prepaid, it will usually have a credit.** However, prepaid customers are still eligible for crisis assistance in addition to their regular benefit if the he or she has certified that the prepaid utility will run out within ten days.

To calculate crisis on a prepaid account, the LSP will determine the client's daily average utility usage and multiply by thirty (30) days to get a monthly amount. The LSP then adds the amount owed by the client to the utility company. This will be the total amount of the crisis benefit. LSPs should then determine if crisis assistance can be provided.

**Example for regulated prepaid fuel when client gets disconnected when the pre-paid account reaches zero:**

**$\$5.34$  (daily usage) X 30 (days) =  $\$160.20$  (monthly average) = Crisis benefit**

**This client would receive one month of crisis in the amount of  $\$160.20$ , plus a regular benefit.**

**Example for regulated prepaid fuel when client does not get disconnected when the pre-paid account reaches zero and is allowed to owe money:**

**$\$5.34$  (daily usage) X 30 (days) =  $\$160.20$  (monthly average) + [ $\$10$  (amount owed if applicable after prepaid amount is exhausted)] =  $\$170.20$**

**This client would receive one month of crisis in the amount of  $\$170.20$  plus a regular benefit**

**Example for unregulated fuel:**

**$\$8.33$  (daily usage) X 30 (days) =  $\$249.90$  (monthly average).**

**This client would receive one month of crisis in the amount of  $\$249.90$  plus a regular benefit.**

### 3.7 Other Crisis Intervention Strategies

In addition to providing funding and assistance as described above, LSPs may use other intervention strategies such as:

- **Case Work Activities.** If the authorized heating and crisis benefits cannot resolve the emergency, the agency must provide services to the household to secure additional funds. These services include referrals to other sources of utility assistance, intervention on behalf of the family with utility vendors, providing budget counseling with an emphasis on maintaining rent and utilities.
- **Case Management.** For more extensive intervention with the family, the LSP should have procedures for referrals to the agency's case management component such as Family Development Consultants or Family Self-Sufficiency caseworkers.
- **Energy Education.** Crisis clients should be referred to receive EAP Energy Education.

## 4. EAP Application Processing

A household applies for EAP benefits on the Energy Programs Application form. **The application received date is the date an application has been received by the LSP regardless of whether or not it is complete. An application complete date is the date when all required documents have been submitted and the LSP has verified that all information is correct.**

The LSP must ensure that applications are complete and that all applications are signed by the applicant or household representative and the intake worker or authorized signatory of the LSP and placed in the applicant file. If approved, the EAP benefit amount should be determined and recorded on the application. The household should receive a notification letter for their records showing that they have applied for benefits. The application is not to be sent to the vendor by the LSP. A household application may be approved only one time during the heating season.

The EAP Application and Landlord Affidavit include a release of information disclosure for all applicants.

The application date is the date the agency receives the application. Applications should not be processed without all required information to determine eligibility. Please **see Appendix G - Statewide Application which includes instruction and disclosures for applicants.** If the application is processed prior to the completion, the LSP may be required to pay back a portion or all of the benefit during the monitoring visit. LSPs must enter all applications into the State's EAP database. IHCD recommends that the LSP maintain an electronic copy of the application as a backup, **however this is not required.**

EAP and Weatherization Assistance applications have been combined to ensure that clients with the highest heating costs but lowest income are referred to Weatherization services. Any household whose application indicates that weatherization services are needed, such as indicated by a high point total on the current program year Benefit Matrix scale, must have the application and copies of the income verification passed on to the Weatherization department of the LSP. Each LSP must identify a weatherization referral on the EAP application and in the State's EAP database.

#### 4.1 Application Sites

A household must apply for the Energy Assistance Program at the local office of their primary residence or at another site authorized by the LSP such as a Township Trustee or other LSP subcontractor. Federal regulations mandate that walk-in sites be available for those clients who need crisis assistance, intake services, or help with completing their application. These sites must be available from the start of the program. A household may also apply through a mail-in application process. Mail-in applications remain a strongly recommended intake procedure. In order to reach those clients who did not apply during the previous EAP year, information should be made available throughout the community explaining the mail-in procedure.

IHCDA must be informed of all local application sites, addresses, phone numbers, and times of operation by **September 8, 2017**. This information **should** be included in the agency's Grantee Plan Packet submitted to the Community Programs Analyst.

The LSP or its subcontractor **must** give an application to anyone who requests one. Clients may not be denied the right to receive or submit an EAP application. The agency will review and determine EAP eligibility based on information received from the clients and the LSP's available budget.

The LSP must make a timely and accurate determination of the household's eligibility for benefits. After November 1, households must be notified in writing of their **approval or denial** and the amount of their benefit.

- Within ten (10) working days of the application's completion, if the application was taken via an appointment.
- Within sixty (60) days of application receipt for mail-in applications. **However, the time frame starts November 1. Therefore, any application received before November 1, 2017 would have to be processed within 60 days of November 1.**

**If the applicant is approved, he or she will receive a letter stating the amount of the benefit. See *Appendix F - Applicant Approval Notification*.** Both approval and denial notification letters must be included in the client's file. Failure to process and distribute benefit notifications may result in monitoring findings.

### **Limited English Proficiency**

LSPs are required to ensure that persons with limited English proficiency (LEP) have meaningful and equal access to benefits and services. The LSP is required to provide spoken translation in addition to translated written publications as some individuals may not read English or other language. The LSP must have a mechanism to communicate orally with people with LEP.

## **4.2 Mail-In Applications**

According to Assurance 3, states are required to conduct outreach activities that will assure that eligible households, especially elderly and disabled households, are made aware of available assistance. **IHCDA strongly encourages** agencies to serve these households through a mail-in process, which allows eligibility to be **determined** without a face-to-face interview. Some LSPs have included families with children **under six (6) as another group which should be contacted by mail since it is an at risk group**. In fact, any clients from the previous year's EAP database who are identified as an at-risk population may be sent a mail-in application packet. LSPs **should** continue to expand their mail-in groups, particularly for working families for whom coming to the office may mean taking time from a job and losing pay.

LSPs can mail applications for FY **2018** beginning **August 1, 2017**. This is done to alleviate the congestion at the start of the fall appointment period. Completed applications for the **FY 2018** program may be entered into the State's EAP database beginning **September 4, 2017**. **However**, no transmittals should be sent to the utility vendors until **November 1, 2017**. **Also, for applicants who are eligible for EAP benefits**, the Applicant Notification form **should not** be sent to households prior to **November 1, 2017**. **Applicants who are denied can receive a notification of denial as soon as the denial has been determined.**

## **4.3 Application Packet**

LSPs must use the State wide application see ***Appendix G - Statewide Application*** which may be downloaded from the IHCDA web site at [www.eap.ihcda.in.gov](http://www.eap.ihcda.in.gov). Applicants may also refer to ***Appendix BB – Your Rights and Responsibilities***. In addition to the application, the packet must contain the following:

- The ***Appendix G -Statewide Application***

IHCDA also strongly recommends that LSPs include:

- The ***Appendix E - Indiana Workforce Development Release of Information***
- Landlord Affidavit
- Zero Income Affidavit

LSPs may also include any other documentation in the packet that is relative to their programs.

### **Application Date**

The LSP must record the date the packet is received (**the application received date**) and process the applications on a first-return, first-serve basis. Completed mail-in applications received before November 1 should be assigned the date received, not the program start date. The application **received** date is the date the LSP receives an **application whether it is complete or not**. **LSPs should record in in State's EAP database the date that the application was received, the date that request for more documents was sent if the application is incomplete, and the date of completion. Application dates in the database should not be changed. LSPs should ensure that a clear trace of the application's timeline is recorded.**

### **Incomplete Packets**

An application is considered incomplete if the household fails to provide all documentation necessary to complete the client eligibility review. Even though an application is incomplete, the LSPs must enter it into the State's EAP database. The household must receive a letter identifying items that need to be submitted to complete the application and a timeline for submission. The letter should indicate that the file will be denied if the items are not submitted within that timeline (generally 10-30 days based upon the LSPs policies). Clients must submit a new application with updated income information if their application is incomplete for more than 60 days. At the end of the heating season, LSPs must change the application status from *incomplete* to *denied* since the application was not processed.

Homebound clients who are unable to complete the mail-in application, should be followed-up with a home visit.

## **4.4 LSP Employee or Sub-Contractor Applications**

Any relative, staff or governing board member, completing an application for the EAP benefits should have their file reviewed by the Program Manager or Executive Director for determination for approval or denial of a benefit. Relatives of the Executive Director should have their file reviewed and approved by a designated member of the agency's governing board or a board committee.

Relatives are any person(s) applying with the following relationship to a staff or governing board member: spouse, sibling, parent, grandparent, child, grandchild, brother-in-law, sister-in-law, aunt, uncle, niece or nephew.

All required EAP policies, procedures and deadlines are applicable. LSPs may store applicant files with the Program Manager or Executive Director, as an added measure of privacy for agency staff and/or its relatives.

LSP staff or relatives receiving benefits should undergo quality assurance (QA) by someone in the agency who is not related to the recipient of the benefits. If the supervisor or program manager is receiving the benefits, the review should be conducted by the Program Manager and signed off by the Executive Director or their designee for determination for approval or denial of a benefit.



## 4.5 Denied Applications

If upon completion of the EAP application, a household is found to be over the income or does not meet another criteria of the Energy Assistance Program, the household is ineligible for EAP benefits. Applications are denied for, but not limited to, any of the following reasons:

- Over income.
- Does not meet all eligibility criteria.
- Failed to submit required documents to complete eligibility process.
- Falsified information or documentation which was discovered by the LSP prior to awarding benefits.

The applicant must be notified of his or her denial in writing, see *Appendix I - Applicant Denial Form*. LSPs must retain documentation of the household's ineligibility and notification letters, which include the client's appeal rights, in the client's files.

## 4.6 Client Appeals

Applicants may appeal a denial. Applicants may also submit a new application and required documentation 60 days from the initial application date. Allowing a client to appeal an LSP decision is mandatory for the Energy Assistance Program. The appeals procedure must be communicated to households whose assistance has been denied. When the LSP provides written notification of denial to an applicant, the notification must include the household's right to appeal that determination. This information is included on the Applicant Denial Form.

The first step of the appeal is a request to the local LSP's EAP Manager or Executive Director for a review of the determination. The appeal should be sent within ten (10) working days of receipt of the denial. The Executive Director or EAP Manager will make the determination of the applicant's eligibility on review within ten (10) working days of receipt of the applicant's written appeal.

If the applicant is not satisfied with the determination after review by the LSP, he or she may request formal review by the State. This is the second step of the appeals process. This request is made by submitting the Applicant Notification Form to IHCD's EAP Community Programs Manager. The LSP may submit this appeal on behalf of the client or the client may submit it directly to IHCD. This request for formal review must be made within ten (10) working days of receipt of the LSP's appeal determination. If an applicant needs assistance with this procedure, he or she may call the IHCD at 1-800-872-0371. IHCD's EAP Program Manager will review the materials submitted and issue a written finding to the applicant and the LSP, based on the documentation submitted within ten (10) working days of receipt.

If the applicant is still not satisfied, he or she may engage the third and final appeal.

The applicant has the right to appeal to the IHCD's Compliance Attorney. The applicant must request this appeal within thirty (30) **working** days of being notified of the IHCD's EAP Program Manager's decision. IHCD will alert the LSP of the pending formal review. Requests for a formal review should be sent to the attention of the **IHCD Compliance Attorney**.

The request for review must include the stated reasons for the Applicant's objection to the decision, which reasons must be based solely upon evidence supporting one (1) of the following circumstances:

- Clear and substantial error or misstated facts which were relied on in making the decision being challenged;
- Unfair competition or conflict of interest in the decision-making process;
- An illegal, unethical or improper act;
- Any other legal basis that may substantially alter the decision.

The Applicant will receive written acknowledgement of the request within five (5) working days of its receipt, noting the day the request was received. The IHCD Compliance Attorney will have thirty (30) working days from IHCD's receipt of the written request to review the file and make a determination. The decision of the IHCD Compliance Attorney is final. At the time of the formal review, the benefit in question will be considered as obligated until the appeal is resolved. If the formal review is successful, the LSP will pay the benefit amount to the appropriate household or vendor. If the formal review is unsuccessful the funds will revert to the program.

#### **4.7 Arrearages**

The benefit may not be applied to that portion of a household's utility bill which is in arrears over one year from October 1st of the current program year. For example, for the program year starting October 1, 2017, the EAP benefit may not be applied to bills accrued before September 30, 2016.

However, the LSP EAP Program Manager may waive this rule if he or she feels there is a good reason for the arrearage. The reason for the waiver should be documented in the client case file.

#### **4.8 Performance Measures Data Collection**

Performance measure data is designed to show the impact of LIHEAP and other home energy related benefits on low-income households. This data is now being required by Health and Human Services (HHS) for all states. IHCD can use this information to support funding decision and to review the program to best target benefits to the neediest households. Utility Data Usage Tracking is run by IHCD for Performance Measures for all LSPs on an annual basis. IHCD completes energy usage reporting which is

submitted to HHS annually. The Utility Data Usage Tracking report **is now a requirement by HHS.**

**In order to obtain Performance Measures data,** LSPs should collect and enter into the State's EAP database **the below** data during the intake process:

- Households who do not have service because they are disconnected.
- Households who do not have service because they are out of fuel.
- Households who do not have service because they have inoperable equipment.
- **The name of the electrical provider if electricity is not the main heating source.**
- **The average monthly cost of electric data, if possible.**

This information is used to calculate the average annual energy use by household to ensure that EAP benefits are distributed to clients with the lowest income and highest energy burden. The EAP Application and Landlord Affidavit will include a disclosure.

## **5. EAP Eligibility**

### **5.1 Who can get EAP benefits?**

Energy Assistance benefits are available to households with a combined annual income at or below 150% of the current poverty level (poverty levels are determined by the Office of Management and Budget). Heating benefit amounts are calculated by awarding points based on factors within five categories of a benefit matrix:

- Poverty level based on household size
- Dwelling type
- On-time incentive
- At-risk (family) status
- Fuel source

The amount of the benefit is computed at a rate determined by IHCD based on available funding and awarded on the benefit matrix. A regional differential is added for regions that are colder (see [\*Appendix P – Regional Map\*](#)), and an additional \$75 for electricity is added to keep the heating system operational. A household may be eligible for an additional crisis benefit if the regular benefit is not enough to prevent a disconnection. The client may receive up to \$200 in crisis assistance for regulated utilities or up to \$400 in crisis assistance for non-regulated utilities.

### **5.2 Who can get State EAP?**

Homeowners who have been approved for LIHEAP benefits are eligible to receive \$60 toward the primary heating bill **from State EAP. Homeowners who are in a state of energy crisis can also receive \$150 in crisis benefits at the time of application.** State EAP funds can be used by homeowners for connection, reconnection and immediate delivery costs. Between March 16 and August 15, homeowners in crisis may request one additional crisis benefit up to \$150. The homeowner must present documentation

that justifies the additional crisis assistance. If the homeowner comes in after March 15<sup>th</sup> and until the end of the heating season, and has not already received the first \$150 in assistance, he or she may receive the entire \$300.

When determining if a household is eligible for the State EAP benefit, the LSP should first attempt to verify proof of homeownership using Beacon or the County Assessors' websites. If the LSP is not able to verify proof of homeownership, the clients will be required to provide documentation. This documentation must confirm that an individual in the household is listed as the owner of the property.

Proof of Homeownership may include:

- Current Property taxes (spring and/or fall).
- Current mortgage statement.
- Current homeowner Insurance.
- Deed

### **Life Estate**

A life estate is an ownership interest in real estate that gives a person, called a *life tenant*, the right to live at or use property during his or her life. When life tenants die, their life estate ends, and the property reverts to a designated person called a *remainderman*. Applicants who are Life Estate *life tenants* are considered homeowners because ownership of the property will only revert or be passed on to another person at the time of death of the life tenant. Proof of a life estate should be shown in order for the life estate owner to be considered a home owner and be eligible for a State EAP benefit.

## **5.3 Who Should be Considered Part of the Household?**

Anyone living in the household continuously for the past three (3) months should be listed on the application. Below are some clarifications about who should or should not be considered a household member.

### **Marriages**

If a household member marries during the three (3) months prior to application, his or her spouse should be included as a household member on the application. The spouse's income is counted during the period of time that the couple was living together. Income that the spouse earned before the couple was living together should not be included.

### **Foster Children**

The household can be given a choice to count foster children in the household. If the foster children are counted then the stipend received for the children is also counted as household income.

### **Adopted Children**

Children who have been adopted must be counted as a part of the household. Assistance or stipends received for those children should be not counted as household income.

## Births

Household members born any time during the twelve (12) months prior to the date of application shall be counted as members of the household for the entire twelve (12) months. If a household member is pregnant and can provide a **medical proof of pregnancy, the child can be considered part of the household, regardless of the projected date of birth.** The household will be awarded points under the at-risk category based on this child.

## Joint Custody

Court documentation may indicate that both parents share legal custody of one or more children as part of a divorce decree. **Non-custodial parents may include their minor children (under age 18) as household members.**

## 5.4 Who Should Not be Considered Part of the Household?

**Households do not include people who are no longer residing in the household. Some examples of persons who are not counted are:**

- Persons residing in homeless shelters, alcohol or drug treatment centers, battered women and children shelters, transitional dwellings or group homes.
- Absent household members (out of the household for 90 days or longer) is defined as one or more of the following
  - An adult not listed on the application; however, the name is present on the utility or lease as a co-applicant for credit purposes.
  - An adult currently residing in a correctional facility (based upon legal or correctional institution documentation).
  - An adult living in a hospice, hospital, medical facility, nursing home or rehabilitation facility.

**If there are persons listed on the lease, mortgage, utility bill, or other supplied documents who are absent and do not live in the household, the client should explain where those persons are currently living, however proof of where they reside is not necessary. The applicant must fill out the *Appendix J - Declaration of Household Members* or the intake worker must make notes in the EAP database. These persons should not be counted as household members. This form will confirm who is living in the household. Members that should not be counted and absent members of the household can be any of the following:**

- **Deceased Household Member:** If a household member died during **three (3)** months prior to the date of application, the deceased member should neither be counted as a household member, nor should his/her income for the **three (3)** month eligibility period be considered.

If the deceased person's name is present along with another household member's name the LSP may process the application. LSPs should work with the applicant at a later date to remove the name of the deceased household member.

- **Divorced Household Members:** If applicants were divorced or **legally** separated within the past **three (3)** months, then income from the absent spouse may be excluded and the remaining spouse counted as a single person for the full **three (3)** months prior to application. **If the client is not legally separated, he or she must fill out the *Appendix J - Declaration of Household Members*.**

Documentation can be a divorce or separation decree, proof of a permanent residence for the absent spouse, verification of separation from a member of the clergy or an attorney, or verification from the local Family and Social Services Administration's (FSSA) Division of Family Resources office, Township Trustee, or a reliable collateral contact. A Landlord Affidavit may be accepted as proof for renters, see *Appendix K - Landlord Affidavit*.

- **Full-time College Students:** A full-time college student, up to age 23, who is a dependent of a member of the household, may be excluded from the household if the applicant chooses. The student would not be counted as a household member and his or her income would not be counted. Proof of student status, such as a schedule or letter that he/she is enrolled for 12 credit hours or more per semester, must be provided. The student must also be declared as a dependent of the household's most recent income tax forms.
- **Drop-In Household Guests:** A drop-in guest is defined as an unexpected or casual visitor or family member, friend, etc., who has resided in the household less than three (3) months and who the applicant certifies will be in the home less than three (3) months.

Drop-in guests are not to be included on the application. Drop-in guests are not counted as a member of the household or as part of the income calculations. If an applicant wishes to count a drop-in guest as a part of the household, the applicant must wait and apply after the guest has reached the three (3) month requirement.

If there is a question on the part of the LSP as to the status of any household member the LSP may require a collateral contact. This could be in the form of a statement from a neighbor, friend or relative as to the living situation of the person(s) in question.

- **Foreign Exchange Student:** Foreign Exchange Students do not count as part of the applicant's household. They are considered an ineligible applicant. Any stipend received by the host family is counted as household income.
- **Roomers and Boarders:** Roomers and boarders are persons renting space within the residence of the energy assistance applicant. **If roomers or boarders do not have a utility bill in their name, they are not counted as household members, and their income is not included on the application. However, rent collected by the applicant from roomers and boarders must be counted as income.**



- **Adult Care Living Arrangements**

If an elderly individual or individual with disability lives in the applicant's household and the applicant is paid to provide care to the individual, the individual's income would not be counted as income for the household and the individual would not be counted as part of the applicant's household. A live-in care attendant related by blood, marriage, or adoption to any member of the household is **not** considered a household member.

## **6. EAP Documentation**

### **6.1 Photo Identification**

The head of household who is applying for energy must provide a copy of State or federally issued photo identification. Documentation may include a Driver's License (does not have to be valid and address does not have to match), Military ID, passport etc. If the participant's religion does not allow them to be photographed, an ID without a photograph is acceptable. Once an applicant has furnished a photo ID and a copy of the card has been made, the LSP will only need to see the original card every three (3) years. Copies of the cards from previous years should be copied and put in current year files.

### **6.2 Indiana Residency**

The applicant must have resided in the State of Indiana for at least thirty (30) days prior to the time of application to be eligible for the Energy Assistance Program. The best verification for Indiana residency is the utility bill with the client's current address, which he or she must submit to receive payment. **Applicants submitting a utility bill with their current address do not have to submit any other kind of documentation to prove Indiana residency.**

Other proof of residency may include:

- Driver's License with current address
- Lease agreement listing the applicant's name and current residence
- Completed Landlord Affidavit form
- Employer's statement or pay stub listing residence address
- Mortgage document.
- Bank or credit card statement.
- Letter from the medical or correctional facility.

### **6.3 Citizenship/Qualified Non-US Citizen**

In addition to the above criteria, **eligible** household members must be United States (U.S.) citizens, U.S. Nationals or **qualified non-US citizens** (aliens) (as defined by 8 U.S.C §1641(b).) **Applicants submitting Social Security Cards (SSNs) will not have to submit any other kind of proof of citizenship or qualified non-US Citizen Status.**

Persons who are not citizens or qualified non-US citizens are considered to be ineligible household members. Ineligible household members living with eligible household members do not disqualify the family from receiving assistance.

### **Households with Ineligible Applicants**

LSPs should not deter or deny applicants from applying for assistance if they are ineligible or if they reside with ineligible individuals. An applicant must only be eighteen (18) to apply. Accordingly, an applicant can be either an eligible applicant (able to receive EAP benefits) or an ineligible applicant (unable to receive EAP benefits but applying for the eligible members) household member.

In order to calculate the household's eligibility, an LSP should exclude the ineligible household members from the total number of household members (total household size) when calculating the benefit amount. However, the income of the ineligible household member should be counted when determining the total household income eligibility. Income of all household members regardless of eligibility must be documented.

## **6.4 Proof of Utility Payments**

Households applying for the Energy Assistance Program must show a utility bill. **For applicants with utilities included in the rent, the applicant must show a lease or Landlord Affidavit showing that utilities are in the Landlord's name.** LSPs should make sure that the address of residency on application and proof of residency documentation is the same as the service address on the utility bill. However, the mailing address (application or utility bill) does not have to match the service address. This is because some individuals may choose to have their mail sent to a P.O. Box or to a relative's address. LSPs are responsible for documenting the difference between the mailing address and service address.

Utilities must be in the name of a household member (eligible or ineligible), age eighteen (18) or over with these exceptions:

- Lease or landlord affidavit states that the utilities are listed in the landlord's name. A lease agreement or contract with the landlord stating the landlord's name, address, telephone number, or a Landlord Affidavit is required.
- Applicant is a person with a disability and the utilities are handled by a company or service.
- If utilities are listed in a household member's name who is temporarily in a correctional facility, nursing home or rehabilitation center, supporting documentation must be provided.
- Utilities are listed in a person's name but there is a court ordered protection against the person.
- Utilities are listed in the name of a legal power of attorney. The power of attorney should be kept in the client's file and have the name of the attorney and the name of the person who has the power to act on behalf of the principal person. The power of attorney should be signed by the principal person and be a legal document.

- The utilities are listed in someone else's name because the applicant could not get the utilities listed in his or her name due to other reasons such as credit problems or unpaid bills. Applicant may still be eligible if service address corresponds with the applicant's residence, and an explanation is given as to why the utilities are not in the applicant's name. LSPs should document the reason why the utilities are not in the applicant's name. **The applicant must sign *Appendix D - Utility Affidavit*. LSPs should still make every effort to assist the client to get the utilities in his or her name.**

The household will be ineligible for a utility benefit (either electric or primary heating source) if the bill is not listed in the name of a household resident or in the name of someone who qualifies under the above exceptions. This household will become eligible when the name is switched to a household resident or in the name of someone who qualifies under these exceptions. This utility is not eligible for moratorium protection.

Utility bills with multiple service addresses listed for one customer must have separate meters and account numbers. The LSP must document the correct account that will receive the EAP benefit.

Some bulk fuel vendors may refuse to supply documentation for unregulated utilities. LSPs must provide notes to the client's file that they requested a copy of a receipt or bill, but the request was denied.

### **Combined Gas, Water, Waste Water Bills**

**Some cities have combined utility bills that combine electric, gas, water, and waste water on one bill. Normally, the combined bills are split out according to the utility type. However, if a client comes in without a split bill, the LSP must contact the utility company to get the information separated. LSPs should keep information about the electric and heat utilities only.**

**If the client comes in with a disconnect notice or past due amount, the LSP must ensure that it is paying only on the electric or heat utility crisis. LSPs must call the utility company to verify the amount related only to heating/electric.**

## **6.5 Social Security Number**

A Social Security Number (SSN) is required for all persons in the household age one (1) and older. **Applicants must provide proof of Social Security Number once every three (3) years.** Individuals who do not have or refuse to furnish an SSN are considered an ineligible household members. SSN documentation that reads *Authorized for work use only* **is** acceptable.

When a household member cannot provide the intake worker with an SSN at time of application, the LSP should enter the household member and fill SSN nines or zeros. The application should remain in pending status until the SSN is verified or the individual becomes classified as an ineligible household member.

The web site for the SSN application form and instructions for applying for a new social security number can be found at: <http://www.ssa.gov/online/forms.html> (Form SS-5 Application for a Social Security Card). LSPs should assist applicants to apply for social security numbers and the necessary documentation.

All LSPs are required to retain a copy of the documentation used to verify the SSN. **LSPs should ask to see social security cards and copy the cards for the files. Once an applicant has furnished a social security card and a copy of the card has been made, the LSP will only need to see the original card every three (3) years. Copies of the cards from previous years should be copied and put in current year files.** If the LSP receives a worn, illegible SSN Card, the LSP should maintain the best version possible.

If an LSP would like to maintain a **non-redacted copy** of the identity verification documents, this is permitted as long as LSP staff have completed confidentiality documentation and provided that any personally identifiable information is kept in a locked file.

If documentation from another program is used, the LSP must retain a copy of the alternative document and of the applicant's driver's license or photo identification.

## **6.6 Social Security Verification**

Each household member age one (1) and over must have a valid social security number as part of the eligibility process. LSPs should assist applicants to apply for social security numbers and the necessary documentation.

Social security validation is the member's social security card. However, other acceptable forms include:

- A letter from the Social Security Administration.
- A Social Security benefit letter (as long as the full number is provided)
- Any other federal form with the full social security number printed on it.
- Pay stub that contains the full SSN.
- Documentation from another eligible program. This documentation could be, but is not limited to:
  - Medicare Benefit Identification
  - FSSA benefit letter
  - U.S. Military Identification (i.e. DD214 or AF-retired military)
  - U.S. Government Identification
  - Indiana Government Identification (- i.e. Dept. of Corrections or an expired driver's license.)
  - Benefit Statement.
  - W-2 or 1099 with original signature.

All LSPs are required to retain a copy of the documentation used to verify the SSN. If documentation from another eligible program is used, LSP must retain a copy of the applicant's driver's license or photo identification.

Documentation prepared by the client or a third party cannot be used to validate the SSN information for any household members. Individual Tax Identification Numbers (ITIN) numbers cannot be used in lieu of a social security number. Intentionally invalid SSN entry, Tax forms, other than a W-2 or Self-prepared tax forms (i.e. 1040, Income Withholding, etc) cannot be used.

### **Home Business Owners (Self-Employed)**

Applicants who operate a business or have a home office with the same physical address as their primary residence must provide proof of a separate meter for business operations or evidence that the residence is not used solely for the purpose of the business. LSP should make a reasonable effort not to fund a business account. If the business utilizes only a portion of the residence, the client may qualify for LIHEAP benefits if the household is income eligible.

If the household presents a utility bill coded as a commercial account C, the household is ineligible for EAP benefits. If review of the self-employed individuals 1040 Form, Schedule C reveals that the household has taken its allowable utility deduction, as an expense, the deduction must be added back to the adjusted gross income (AGI or Line 37). The household must be income eligible after the utility deduction is added back to its Adjusted Gross Income.

The Schedule C tells the LSP that at least one of the applicants had a job that did or did not make a profit. If the business did not make a profit, the applicant does not need to complete a zero income affidavit. However, if other household members are listed on the application and are not part of the Schedule C or do not have a 1099 and are claiming no income they must complete a zero income affidavit.

Schedule C-EZ does not list expenses or have a worksheet. To have expenses deducted, the applicant will need to provide this information; otherwise the LSP must use the total AGI.

To reference IRS tax forms, please see <https://www.irs.gov/forms-pubs>.

## **6.7 Renters**

EAP only extends to sublets if there is a valid lease between the sublet and the landlord.

### **Utilities Not Included in Rent**

If the heat and/or electric are paid separately by the client, for both subsidized and non-subsidized rent, that benefit goes directly to the utility. Crisis dollars **may** be awarded.

### **Utilities Included with Rent**

If a household's rent payment includes utilities in the rent, the applicant is eligible for an EAP Regular Benefit. Households with utility included in the rent will not be eligible for a crisis benefit. Because the client does not have a utility account, EAP benefits will be

paid directly to that individual in the form of a check or ACH/direct deposit (see ***Appendix L - ACH Authorization Form***). Clients should have a lease agreement or a Landlord Affidavit that shows which utilities are included in rent.

LSPs will calculate the benefit using the benefit matrix in the same way as applicants whose utilities are not included in the rent. Clients will have the option of receiving an ACH/Direct Deposit or a personal check. Every effort should be made to complete the benefit payment by direct deposit. This will decrease the chances of lost or misplaced checks, replacement check requests, and fraud, waste and abuse.

<b>Heat/Electric Situation</b>	<b>Types of Renters Benefits</b>
Renter pays electric directly but heat is included in the rent	The electric utility vendor will be paid directly. The heat benefit will be paid to the client directly by check or direct deposit.
Renter pays a heating bill directly but electricity is included in the rent	The heating benefit will be paid directly to the utility vendor. The electric benefit will be paid to the client directly by check or direct deposit.
Renter pays all utilities in rent to landlord or trailer park owner	Both benefits will be paid to the client directly by check or direct deposit.

Checks or direct deposits will be issued from IHCD's central office. Below is the process for requesting a payment to a client.

#### **Payment Process:**

Intake for applicants with utilities included in rent will take place at the LSPs like all other applications. Checks and direct deposits will be issued directly from IHCD to clients.

LSPs will submit claims into IHCD online. After eligibility has been determined, payments will be processed in batches once a week. For all problems (such as lost checks or return of funds) clients should contact the LSP. If the LSP cannot resolve the problem, it should send the problem to IHCD at email box: [Liheap@ihcd.IN.gov](mailto:Liheap@ihcd.IN.gov).

#### **Landlord Affidavit**

All rental applicants must provide a Landlord Affidavit for the program year or alternative documentation as noted below. Verification by phone, fax, or electronic submission to the landlord or management company for verification is allowable. A copy should be obtained and retained in the client file. An LSP cannot provide EAP benefits if the landlord acknowledges the renter is being evicted. A copy of the Landlord Affidavit can be found in Appendix K.

If a landlord affidavit is not feasible, LSPs should consider alternative documentation such as:

- A letter from the township trustee.
- A Memorandum of Understanding from rental properties.
- The HUD Section 8 Reauthorization.



- A lease agreement within the past 24 months.

The Landlord Affidavit should be used to corroborate that the following information was submitted properly on the application:

- Address
- How utilities are listed (name of a household member, landlord, or legal power of attorney)
- Primary heating source
- Dwelling type
- Subsidized household status
- Household (adults and children listed)

## **6.8 Recertification of Fixed Income Applicants**

Households with fixed incomes may recertify for EAP without providing the documentation needed for a full application. Applicants may recertify for two (2) years and must send in paperwork every third year. For example, if an applicant sends in all documents at the start of the program year 2017-2018, he or she would qualify in 2018-2019, and 2019-2020 without sending in the supporting documentation. That applicant would only have to send in current paperwork again for the 2020-2021 program. To qualify for recertification, household income must have one or more of these income types and no others:

- Social Security
- Veteran's Benefits
- Supplemental Security Income (SSI)
- Retirement Pension/Annuity

Incremental or cost-of-living changes to the above incomes will not count as change, and the applicant will be eligible for simplified recertification.

LSPs must send the recertification tool to all mail-in applicants to help applicants determine if they can recertify using this tool, see ***Appendix H - Do I Qualify for Recertification?***

In all cases, clients will have to send in a signed application and a utility bill. No other documentation is necessary.

If changes have occurred; the client is no longer eligible for simplified recertification all documents must be present. Households with income change or household composition change must provide documentation for the changes.

## **6.9 What Documentation Should be in the File?**

An LSP must ensure that all clients have been appropriately documented in the State's EAP database at the time of their initial application. LSPs should ensure proper documentation if applicants have a disconnect notice, have been disconnected, or are nearly or completely out of fuel.

Applicant File Documents include the following:

#### Standard Documents

Photo ID for all head of household. Photo IDs for other members is optional.

Signed Complete Application

Proof of Indiana Residency (utility bill Head of Households Driver's license or other documents)

Proof of US Citizen or resident (Social Security card(s) or other documents)

Proof of Income

- Pay stub, W-2, 1040, etc.
- Bank Statements
- Zero Income Verification Affidavit
- Department of Workforce Development Wage Inquiry
- Proof of Benefits
- Proof of child support payments

Utility Statement(s)

Landlord Affidavit or Lease

Proof of Homeownership (State EAP)

#### Supporting Documents

Audit checklist

Proof no longer in the household, or Declaration of Household Members Form

Doctor's letter for unborn child

Declaration of Inoperable Heating Source

Benefit Waiver Request Form

Power of Attorney Statement

Communication with utility vendor

Air Conditioning Unit documentation

Energy Education Pre & Post Test, if applicable.

Applicant Appeal letter

Fraud investigation documents

LSP Appeal response letter

Other(s) as needed by LSP to determine eligibility and/or process the application

#### **Scanning/ Uploading**

The LSP must scan and upload all hardcopy applicant files into the State's EAP database system. When scanning documents the LSP should make sure it scans all documents that are signed (i.e. application). If the client has uploaded his or her own documents during the online application, the LSP is responsible for ensuring all documents are present and quality assured.

Also, the LSP should make sure to scan all supporting or supplemental documentation needed to determine eligibility or process an application (i.e. utility statements, wage history, LLA, zero income verification affidavit, LSP created forms, etc.) or any other written communications.

Any documentation retained outside of the State EAP database should have the first five (5) numbers of the SSN. Scanned copies that are stored in Cap 60 do not need to be redacted.

When scanning, LSPs should be careful not scan blank pages and to scan both sides of two sided documents. LSPs should scan all documents so that they are clear and legible.

The LSP should develop an internal LSP scanning/uploading tracking system to assure all applicant files have been uploaded into the State's EAP database. If the LSP is using the electronic backup system, scanned PDF files should be labeled using the application number to assure client confidentiality.

The LSP must also maintain an electronic copy of the application as a backup outside of the State's EAP database system. Hard copies are no longer required.

### **Correcting Documents**

If an error occurs on documentation, the LSP intake staff should cross out the error, make the necessary correction, and initial and date next to the change. The LSP should scan the new or updated information labeled *corrected* to provide an accurate picture of the application. This will also aide LSP staff or contract monitors who may review the file at a later date. A notation should also be made in the State's EAP database that a change occurred. LSPs will have until the end of the program year (September 30) to make any changes to an applicant's file in the database.

For example, if a Landlord marks subsidized on the Landlord Affidavit for a Section 42 recipient this would be an error. For EAP purposes Section 42 is not considered subsidized and the form should be corrected.

## **7. EAP Income Computations**

The household income is the total income received by all household members age eighteen (18) and above during the application period. The total household income is used to determine financial eligibility for benefits. Households are eligible with an income of 150% of poverty or less. The income computation is used to compute points on the benefit matrix.

It is the household's responsibility to provide accurate documentation of income. It is the LSPs responsibility to assess the adequacy of that documentation and provide the applicant with a list of additional documentation needed to determine eligibility for benefits. Intake staff will encounter various forms of income documentation. The worker should use his or her judgment, with opinions from supervisors, in accepting or rejecting specific forms of verification. The LSP should indicate in writing the reason for accepting documentation that may be considered less than ideal.

In order to calculate income, LSPs should look at three (3) consecutive full months of income history within the last five (5) months. If an LSP has performed a wage verification and the date range is a quarter behind, the LSP may use the wage inquiry because it falls

under the requirement of using the most recent three (3) months of income history available and that income history falls within the previous five (5) months.

For example, if the client's application was received December 1<sup>st</sup>, the end of the income history date range should not be later than July 1<sup>st</sup>.

All income should be calculated based on the date the application was received. Therefore, the LSP should use the documentation provided by the applicant. If an application is incomplete, and time passes between the date the application was received and the date the application is complete, which makes the income documentation out-of-date, the LSP may use the date the application was received in order to avoid having to collect new income information again.

Below is a table which provides a quick review of what income is countable or not for EAP purposes. Further details will follow.

Income Type Overview Chart	Count as Income?	Gross/ Net Income	Documentation (when more than one is listed, only one is required)
Adoption Assistance	No		
Alimony	Yes	Gross	Divorce settlement, bank statements
Annuities, Pensions and other retirement plans	Yes		Letter from insurer, bank statements
Assets	No		
Black Lung for Recipient	No		
Black Lung for Survivor of Recipient	Yes	Gross	
Blood plasma payment	Yes		Pay stubs, bank statements.
Child Care Assistance (vouchers)	No		
Child Nutrition programs (school lunch programs)	No		
Child Support – when received	No		
Child Support – when paid	No		A parent who pays child support may deduct the amount paid from his/her income. Proof of payment may be bank statements, pay stubs with garnishment, proof from a government agency, etc
Children of Vietnam War Vets living with disabilities	No		
Disability Payments from Insurance	Yes	Gross	Letter from insurance company, bank statements
Dividends, Interest	Yes	Gross	Bank statements, tax returns
Divorce Settlement	No		

Earned Income Credit	No		
Elderly Nutrition programs	No		
Employer Paid Benefits	No		
Gifts and Inheritances	No		
Income from House members under 18	No		
Income from Rental Property	Yes	Gross	Receipts of payment, bank statements, taxes
In-Kind payments	No		
Insurance Settlement	No		
Irregular income	Yes	Gross	Pay stubs, receipts, taxes, bank statements
Job Corps	No		
Jury Duty Pay	Yes	Gross	Pay stubs, bank statements
Life Insurance Payments	Yes	Gross	Statement from company, bank statements
Loans	No		
Lump sum Retirement	No		
Lump Sum Social Security Payments within the 3 months being considered	Yes		Lump sum payments should be counted if the time period that the payments was for can be determined. If time the payment period cannot be determined, the lump sum payment can be excluded as income.
Medical Reimbursements	No		
Medicare/Medicaid	No		
Military Allotments (pay)	Yes	Gross	Paystubs, tax statements
Payments on behalf of a Household	No		
Pensions and Annuities	Yes	Gross	Bank statements, tax statements
Railroad Benefits/railroad retirement	Yes	Net	Letter from Railroad administration, Social security documentation when applicable,
Retirement benefits (recurring)	Yes	Gross	W-2's, Wage inquiries, letter or written statements from retirement provider
Royalties	Yes	Gross	Contracts, pay stub, bank statements
Sale of Property	No		
Savings Principal	No		
Self-employment Income	Yes	Gross	Tax forms, self-declaration
Sheltered Workshops/Work Centers	No		
SNAP (Food Stamps)	No		

Social Security Disability / Supplemental Security Income (SSI),	Yes	Net	Social Security Award Certification Letter, bank statements, Social Security checks, tax forms or tax returns, a letter from the bank including the deposit amount and date of receipt, Report of Confidential Social Security Benefit Information (SSA 2458) or written verification from the Social Security Administration (SSA) with a Form L634
Strike Benefits	Yes		Statements from the union, check stub.
Subsidized Housing	No		
Supportive Services for Employment	No		
TANF (Temporary Assistance for Needy Families)	No		
Tax refunds	No		
Township Trustee assistance	No		
Unemployment Compensation Benefits	Yes	Gross	Claim Index Inquiry, Voucher History Inquiry, Claim Master Inquiry, Wage or Benefit Transcript-the WBA for unemployment and the wages for documenting income
Veteran's Benefits	Yes	Gross	
Veteran's Disability	Yes	Gross	
Veterans Reduction Assistance Allowance	No		
Victims of Nazi Persecution	No		
VISTA	No		
Wages, salaries, tips, bonuses, garnished wages, tips, vacation pay, commission	Yes	Gross	Paystubs, W-2's, Wage inquiries, written statements from employers
Winnings, Prizes, and awards	Yes	Gross	Receipts, tax statements, self-declaration
Worker's Compensation	Yes		

## 7.1 What should be counted as Income?

### Income from Employment

There are several types of employment including:

- Wages
- Salary, tips, bonuses, commissions
- Self-employment income

- Profit from a business
- Military Allotments
- Blood plasma payments

Income from employment may be gross wages, salaries, commissions, bonuses, profit-sharing, cashed-out vacation or sick pay, tips, military allotments, pensions, self-employment and other retirement payments such as private retirement plans. This kind of income can be verified using:

- Paystubs identifying the person whose income is being considered (i.e., social security number or name) and showing the income for the period being considered for the computations
- W-2s for the previous year's wages. This documentation can be used by itself only for applications in the months of January, February, March, and April of the current heating season. Use Box #1.
- Wage inquiries
- Written statements from employers stating the income for the period being considered for the computations
- Self-employment **documentation (tax forms or self-declaration)**

### **Paystubs**

To calculate income using a paystub, an LSP should **identify how much the person was paid in the last three (3) months. The LSP should use the most recent available three (3) months within the last five (5) months.** If total gross and taxable gross income are both provided, use the taxable gross income for the calculation.

### **Wage Inquiry**

To calculate using a wage inquiry, use the most recent quarter available.

### **Incidental, Unreported Income**

Income that is not reported for tax purposes is nevertheless included in the calculation of the household's gross income. This income **should** be verified when possible. Applicants may claim this income **using the first section of the Zero Income Affidavit. The first section allows applicants to self-declare income if there is no documentation for this income, see *Appendix N - Zero Income Affidavit.***

### **Self-Employment**

Self-employment income is an individual's income from a private trade or business (including farming). The person's adjusted gross income is calculated using the IRS Schedules listed below, allowing for certain business deductions, as computed as self-employment income under Federal income tax law.

If a household reports a member who is self-employed, his or her income must be verified by the Internal Revenue Service (IRS) Tax Form 1040 or **IRS transcripts** for the most recent, complete calendar year. Most recent is defined as taxes that were filed by April 15 of the current program year. To reference IRS tax forms, please see <https://www.irs.gov/forms-pubs>.



If the applicant cannot produce the most recent tax return, the applicant should self-declare income for the previous **three (3) months and the LSP should** obtain a wage inquiry from DWD. **In order to obtain the wage inquiry, the client must sign a release see *Appendix E - Indiana Workforce Development Release of Information* form.** Other income that is not from self-employment must be documented (current paystubs, etc).

The adjusted gross income is listed on the last line of the section on Form 1040 labeled “Adjusted Gross Income”.

In addition to the Form 1040, applicants must provide one or more of the schedules to complete the self-employment verification:

- Form 1040 - U.S. Individual Income Tax Return
- Schedule C - Profit or Loss From Business
- Schedule E - Supplemental Income and Loss
- Schedule F- Profit or Loss From Farming
- Schedule SE - Self-Employment Tax

Form 1040 also has information about other income that a self-employed person may have had in the section labeled *Income*. This amount will have been computed in the Adjusted Gross Income already.

Self-employed clients with a \$0 Adjusted Gross Income are not required to submit a wage inquiry from DWD.

If the client provides a tax return that is outdated, the agency may use the business income reported on that tax return but require the client to provide more current wage history via a wage inquiry from DWD.

If the client’s tax returns indicate that wages and business income were received, then the client must provide W-2s for the wages as well as schedules for the business income. **If a W2 is not available, the LSP must conduct a wage verification.**

Income from the rental of property is considered self-employment income. This income may be recorded on the Income Self Declaration Form.

### **Other Income**

Income may be earned in other ways besides employment. Examples of different types of income:

- Alimony payments
- Black Lung Disability for survivor of recipient
- Disability payments from insurance
- Dividends, interest
- Gambling winnings, awards
- Income from Rental Property

- Life Insurance Payments
- Military Allotments
- Pensions and Annuities
- Railroad retirement and Railroad disability benefits
- Regular life insurance payments
- Retirement plans
- Royalties
- Social security benefits
- Strike benefits
- Unemployment Benefits
- Veterans benefits
- Workers compensation

### **Disability Payments from Insurance**

An individual may have insurance coverage that pays a specified amount for a specific period of time during which he or she is unable to work because of a disabling condition. Such disability payments made by an insurance company directly to the individual are counted as income.

Indemnity health insurance plans pay a specified benefit to a person based on the number of days the person is hospitalized. Variations on indemnity health insurance include accident and cancer policies. These benefits are counted as income. However, the verified and documented amount of the benefit that is used for the payment of medical bills may be deducted from the benefit in computing the household's income.

### **Social Security Benefits**

Benefits administered by the Social Security Administration include Social Security retirement benefits, Social Security disability benefits, and Supplemental Security Income assistance. **These benefits may be** recurring, regular or underpayments. **Only benefits paid during the three-month calculation period should be counted.** The net amount of the Social Security check, after the deduction for Medicare Part B premiums and/or Part D, overpayment recovery, tax withholdings, and child support garnishments, is to be used to compute income. Social Security benefits paid to a surviving spouse in the name of the surviving children are counted as income to the household.

The Social Security Administration sends SSA-1099's each January to everyone who receives social security benefits. 1099s are eligible documentation. They show the total amount of benefit in the previous year and is used for tax purposes. Several versions of the 1099 are used, depending on the nature of the income transaction (i.e. SSA-1099-SM). Social security beneficiaries can obtain replacement SSA-1099 form or other versions from *My Social Security* account at [www.socialsecurity.gov](http://www.socialsecurity.gov) or by calling 1-800-772-1213.

To verify Social Security income, the following documents should be used in this order of importance:

- Social Security Award Certification Letter

- Most recent direct deposit statement from a bank
- The most recent Social Security check
- The most recent tax forms or tax returns. If the income is calculated using the tax form, then the agency should use the *amount paid for the current year or amount paid via check or direct deposit* and **then calculate the income for the most recent 3 month period.**
- A letter from the bank including the deposit amount and date of receipt, verifying a deposit from the Social Security Administration.
- Lump sum Social Security may be awarded for back payment. Determine the amount by pro-rating the entire award and then consider the most recent **three (3) months. If there is no way to identify what time period the lump sum covers, it should be excluded from calculation.**
- Report of Confidential Social Security Benefit Information (SSA-2458) or written verification from the Social Security Administration (SSA) with a Form L634 (cover letter) attached.

### **Railroad Retirement and Railroad Disability Benefits**

Railroad retirement and disability benefits are similar to Social Security benefits however these benefits are open only to former railroad workers, their dependents, or survivors. Railroad workers are entitled to participate in a federal retirement and disability program similar to Social Security. The railroad retirement program offers different and somewhat expanded benefits from Social Security, however. Additionally, the program is administered by the Railroad Retirement Board (RRB) and not by Social Security Administration (SSA). Both retirement and disability benefits are available and are counted as income. These benefits are administered by the Social Security Administration, and payments are often combined with regular Social Security if the person is eligible. These benefits can be verified using the same methods as Social Security. Railroad benefits should be calculated based on the net amount.

### **Black Lung Disability**

The Black Lung Benefits Act (BLBA) is a U.S. federal law which provides monthly payments and medical benefits to coal miners totally disabled from black lung disease arising from employment in or around the nation's coal mines. **When the recipient of the Black Lung Pension has passed away and the benefit is awarded to the survivor of the recipient, it should be included as income.**

### **Military Allotments**

Payments received during a military deployment should be considered. The person who is deployed should be counted as a household member. Such payments are income and can be verified by a copy of the check, a check stub, or other documents showing the current amount.

### **Life Insurance Payments**

Life insurance payments of a regular basis to a surviving household member should be counted as income. Lump sum payments should not be counted.

## **Dividends, Interest**

Dividends or interest earned on financial assets are counted as income to the extent that they are realized (received) by the owner of the asset. Assets include savings accounts, interest bearing checking accounts, equity shares (mutual funds and stocks), bonds, and retirement accounts, or other similar accounts. **Assets should not be considered for EAP income calculations, however, any income from those assets should be considered.**

Dividends and interest from financial assets can be verified by earnings statements from the financial institution. If a monthly statement is presented, take the monthly amount times **three (3)** to get the income for the last **three (3)** months. Tax Form 1099 for the previous calendar year is acceptable in the first four months of the current calendar year.

That portion of any savings instrument which represents the individual's contribution to the principle is never considered as income. Saved money has already been counted as it was received by the household.

For example, the principal withdrawn from a savings account or other cash asset is not used in income calculations. The principle is the amount of the asset that was contributed by the individual owner of the asset. **However, if that account was paying an interest payment of \$10 a month, that \$10 would be counted as income if the money was not compounding into the account.**

## **Gambling Winnings**

Winnings from any source of gambling or gaming is considered income including, but not limited to private gambling, the Hoosier Lottery, Power Ball, Mega Millions, horse racing, bingo etc.

## **Pensions and Annuities**

Ongoing pension payments are counted as income. Most often, the employee and/or the employer pay retirement funds into an annuity account. Annuities are paid out after the person retires, usually with an option for lump sum payments or periodic payments.

Like Social Security, many retirement funds are also available to persons who become disabled, or to their surviving spouse and surviving minor children in the event of their death.

The most desirable documentation of a pension amount is a check stub. Care should be taken to use the gross amount of the pension check, since deductions, including income tax withholding, may affect the net. Pensions are usually "fixed" income that may be computed based on one month's check.

## **Retirement**

A lump sum pension or retirement payment that represents the employee's contribution and/or interest is *excluded* as income. However, the ongoing retirement payments are counted as income. (See Section 403.8)

**Royalties**

Royalties include payment for copyrighted or patented property of a household member, such as payments for the right to use copyrighted materials, licensed products, patented items etc. Royalties may be documented by statements or by contracts with the entity paying the royalty. Documentation of a period of income from the royalties may also be used.

**Strike Benefits**

A union may award strike benefits to employees who are striking against their employer. Strike benefits are counted as income. They may be verified by statements from the union, or by a check copy or stub.

**Unemployment Benefits**

Unemployment Benefits are income that is available to individuals who have lost their job through no fault of their own and who are currently available for employment.

Unemployment Benefits may be documented by weekly pay stubs which will show the gross amount payment and is identified at the *weekly benefit amount* (WBA). The gross benefit should be used to compute the household member's income **over the past three (3) months**.

Unemployment benefits may also be documented using one of the following forms.

- Claim Index Inquiry- the WBA should be used to calculate income.
- Voucher History Inquiry- the Benefit Pay Amount should be used.
- Claim Master Inquiry- the Original WBA should be used
- Wage or Benefit Transcript- the WBA for unemployment and the wages for documenting income (if applicable) should be used
- Uplink Unemployment Payment Summary- Deductions and entitlement amounts should be added to calculate gross benefit.

For inquiries that document weekly transcripts, the agency should use the positive payment amount, unless the documentation indicates that funds were retracted during the same period.

Unemployment benefits may also be documented by a letter which is issued by the Department of Workforce Development (DWD) which states the total amount of money available under their claim and the length of time it is to be paid out. However, this letter only indicates the amount the claimant may receive. There could be issues regarding the circumstances concerning how the claimant separated from employment which may prevent or postpone the individual's actual receipt of benefits.

If a client receives benefits on a debit card, agencies may request a debit card statement as documentation of benefits. Unemployment benefits recipients also receive a tax form 1099G from the DWD showing the previous year's draw of benefits.

**Veteran's Benefits**

Veteran's benefits should be counted as income. A copy of the most recent benefit check, an entitlement letter, or a statement from the Veterans Administration are all acceptable

documentation of VA benefits. Veterans Benefit also include the Dependency and Indemnity Compensation (DIC), a tax free monetary benefit paid to eligible survivors of military service members who died in the line of duty or eligible survivors of veterans whose death resulted from a service-related injury.

### **Worker's Compensation**

Worker's Compensation may be awarded to an injured employee or his survivors under state and federal statute. Benefits are paid either in a lump sum or, more likely, as a monthly payment. Benefits should counted as income.

Worker's Compensation is either paid by an insurance company or by the employer out of a self-insurance fund. In either case the individual should have an "Agreement to Compensation" form which states the amount of the benefit.

Worker's Compensation can also be verified by calling the Worker's Compensation Board of Indiana at (317) 232-3808. Agencies will be asked if they have a release of information form signed and on file.

### **Alimony Payments**

Alimony, or spousal support, is a legal obligation on a person to provide financial support to their spouse before or after marital separation or divorce. The obligation arises from the divorce law or family law of each State. Alimony received by a client should be counted as income.

## **7.2 What Should Not be Counted as Income?**

In computing a household's eligibility for EAP certain types of income are to be excluded. In addition, assets are not to be included. This includes assets held by and disposed of as a part of a household member's business. Unlike some other federally funded programs, there is no asset test or resource limit for EAP. The total value of a household's assets does not affect its eligibility for benefits. Only the income produced by the assets is used in the eligibility determination. LSPs should exclude the below types of income.

### **Income of Household Members Under Eighteen (18)**

The income of any household member under 18 years old at the time of application is excluded from the household's eligibility determination. This would be such things like babysitting, mowing the lawn or working a part-time after school job. If a household member is under age eighteen (18) but is emancipated then that emancipated person becomes an adult, has his or her own household, and income is counted. For more information on Indiana Law concerning emancipation, see Indiana Code §31-34-20-6.

### **Black Lung Disability**

When awarded to the recipient while he/she is still living, Black Lung Disability should be excluded when figuring income. However, as noted above, black lung disability is counted as income when awarded to a survivor unless the recipient is under 18 years of age.

### **Sheltered Workshop Employment/Work Centers**

Income from household members who have worked in centers that are authorized to employ workers with disabilities at sub-minimum wages should not be counted.

### **Lump Sum Social Security Payments**

Non-recurring or Lump sum Social Security and Supplemental Security Income (SSI) payments should be excluded from income calculations **unless part of the lump sum payment was for the three (3) month income calculation period. In that case only the amount relevant to the three (3) month period would be counted.**

### **Child Support**

**When an applicant receives child support, payments** are excluded as income. If a client's only source of income is child support, then that client should be treated as a zero income claimant. The client must complete a **Zero Income Affidavit** and provide supporting documentation.

**When an applicant is paying child support, payments can be deducted from income. LSPs should look at pay stubs, bank statements, or letters from other government agencies to determine how much an applicant has paid in child support for the three (3) month period.**

### **Loans**

Loans to an individual are not counted as income. Loans include, but are not limited to, educational loans, car, home loans, reverse mortgages, money advanced on a credit card, etc. Any grant or loan to any undergraduate student for educational purposes made or insured under any program administered by the United States Department of Education is not to be considered income for the Energy Assistance Program. This includes federal work-study grants or the Department of Veterans Affairs-Dependents Education Assistance Program.

### **Medical Reimbursement**

Reimbursement, from a third party, for medical expenses is not counted as income. However, note that funds paid by a health indemnity plan, for a person in the hospital, may be counted to the extent that it is not used to pay medical bills.

### **Employer Paid Benefits**

Employer paid or union paid portion of health insurance or other employee fringe benefits are excluded as income. Reimbursements for work or medical expenses (travel or mileage) are not eligible as income and should be deducted from any YTD gross wages.

### **Insurance Settlements**

A one-time, lump sum insurance settlement payment for injury is excluded as income.

### **Retirement**

A lump sum pension or retirement payment that represents the employee's contribution and/or interest is excluded as income.



**Inheritance**

An inheritance received in a lump sum is excluded as income.

**Gifts**

Cash gifts of a personal nature, to an individual that does not represent household support are excluded as income.

**Non-Recurring, Lump Sum payments**

Non-recurring, or lump sum, payments to a household (not an individual) for household support (living expenses) **should not** be counted as income. **These payments are similar to gifts, which are not counted.**

**Savings Instruments Principle**

That portion of any savings instrument which represents the individual's contribution to the principle is never considered as income. Saved money has already been counted as the household received it.

**Tax Refunds**

Tax refunds and Earned Income Tax Credits refunds are excluded as income.

**Veterans Reduction Assistance Allowance**

That portion of Veterans Reduction Assistance Allowance which represents the veteran's contribution to the allowance is excluded. Veterans who served before December 31, 1977, have not made a contribution toward their benefits. This contribution will not exceed \$2,700 and can be identified by the Veterans Administration (VA) when verifying benefits.

To verify benefits call 1-800-827-1000 and provide the applicant's VA file number. A social security number may be used as a last resort. The VA will verify the educational expenses (i.e., tuition, books, fees, transportation) which are excluded from income.

That portion of the allowance which represents the Veterans Administration contribution and which exceeds these educational expenses is counted as income.

**Children of Vietnam War Veterans living with certain disabilities**

VA benefits provided to children of Vietnam Veterans (including adult children) who were born with the congenital defect spina bifida are excluded. Also, effective December 1, 2001, VA benefits to children of female Vietnam veterans born with certain other birth defects are excluded. The monthly monetary allowance is paid at a rate that is based on the child's level of disability.

**Payments on a Household's Behalf**

Payments made by others on the household's behalf are excluded, including payments for such items as car and health insurance payments, payments for rent, or payments for other household expenses made on the household's behalf. If money is given directly to the

applicant on a regular basis it is counted as income. However, occasional cash gifts are excluded as income.

### **In-kind Payment to the Household**

An in-kind payment to a household in lieu of payment for work is excluded from income computations, including the imputed value of rent from owner-occupied housing, food or rent received in lieu of wages, items received in barter for rent; or gifts received from an employer.

### **Benefits from Other Assistance Programs**

In general, the cash and non-cash benefits received by the household from other social services programs are excluded as income. Some of the other assistance program benefits that should not be included as income are as follows:

- **TEFAP**  
The Emergency Food Assistance Program (TEFAP) the value of federally donated food commodities acquired through price support operations for school lunch programs or for distribution to needy individuals shall not be considered income for the purpose of determining eligibility for the Energy Assistance Program.
- **Child Nutrition Programs**  
The value of food provided under National School Lunch Act or other child related commodities distribution programs are excluded as income.
- **Elderly Nutrition Programs:**  
The value of food such as congregate dining and home-delivered meals are excluded. The value of elderly nutrition programs such as congregate dining, home-delivered meals, Senior Citizens Service Employment Program (Title V), and Experience Works (formerly Green Thumb) may not be treated as income or benefits for eligibility purposes under the EAP.
- **Childcare Assistance Payments**  
Childcare Assistance Payments on behalf of the household are not considered income to the household. Childcare assistance paid to the household as a childcare voucher is **not** counted. Common types of assistance **that should not be included** are Child Care and Development Funds (CCDF), Child Care and Development Block Grant funds (CCDBG), Social Services Block Grant funds (SSBG), At-Risk Child Care, Guaranteed Child Care, and Transitional Child Care.
- **TANF**  
**Temporary Assistance for Needy Families (TANF) replaced several forms of welfare assistance. TANF should not be calculated as income.**
- **SNAP (Food Stamps)**  
Supplementary Nutrition Assistance Program (SNAP) benefits, formerly known as food stamps, provided to a household or any of its members is excluded.

- **Medicare and Medicaid**

Reimbursements to a household for medical expenses are not considered income for the Energy Assistance Program. The premium for Medicare Part B is not included as income.

- **Subsidized Housing**

The value of a housing subsidy is excluded. Rental assistance may include rent and a utility allowance toward the utility bills. The utility allowance is not required to be considered subsidized. Rural Development-funded properties are considered subsidized if the funding source provides a monthly rental payment. Other programs that may provide monthly rental assistance are, but not limited to, HOPWA, HOME TBRA, and HOME AGAIN, which are IHCD funded programs. Local municipalities may have their own rental assistance programs that provide a monthly payment amount. Those programs are included as well.

- **Volunteer Service (VISTA, AmeriCorps, etc)**

VISTA, ACTION, RSVP, Foster Grandparents, Senior Companion Program, Older Americans Community Services, AmeriCorps, payments to volunteers, living allowances, or education awards should not be included as income. Refusal to accept other work while a volunteer under this Act shall not cause a loss of benefits.

AmeriCorps is a network of national service programs which engage Americans in intensive service to meet critical needs in education, public safety, health, and environment. Created in 1993, AmeriCorps is part of the Corporation for National and Community Service, which also oversees Senior Corps and Learn and Serve America. AmeriCorps living allowances and education awards are excluded as income.

- **Job Corps**

The nation's largest career technical training and education program for low-income young people ages 16 through 24. Established in 1964, Job Corps serves approximately 60,000 young people each year. While enrolled in the program, students receive housing, meals, basic medical care, and biweekly living allowances. Refer to [www.jobcorps.gov](http://www.jobcorps.gov).

- **Victims of Nazi Persecution**

Restitution payments made to individuals because of their status as victims of Nazi persecution shall not be counted as income, per Public Law 103-286 signed August 1, 1994.

- **Supportive Services for Employment**

The value of supportive services received under various employment and training programs is excluded as income. These programs include the Job Training Partnership Act, the Personal Responsibility and Work Opportunity Reconciliation Act, the Senior Community Service Employment Program or similar programs.

Supportive services include payments made on behalf of, or through an individual for transportation, health care, special services and materials for persons living with a disability, child care, meals, temporary shelter, financial counseling, and other reasonable expenses required for participation in the training program and may be provided in kind or through cash assistance.

- **Township Trustee Assistance**

All forms of township trustee assistance are excluded as income for the EAP program.

### 7.3 Clients with Zero Income

Households who declare zero income are required to complete a *Zero Income Affidavit (Appendix N)* for each member claiming zero income **during the previous three (3) months**. Each person over age eighteen (18) who claims zero income must provide a description of how he or she met living expenses during that period. A DWD Wage Report should be used for all applicants reporting **total** zero income. All claimants with zero income must sign a release for the LSP to obtain this verification, *see Appendix E - Indiana Workforce Development Release of Information*. If there is no indication how a zero income household meets basic living expenses, then no EAP assistance should be offered. This is not meant to disqualify a household with no income, but rather understand how the household survives and if case management services would be appropriate. Applicants with zero income should be given a priority in case management services offered by the agency under EAP Family Development or other programs. The zero income claimant form should be completed in its entirety without leaving any blanks. If a line is not applicable it should be marked N/A.

## 8. EAP Benefit Matrix

When applying benefits, agencies should apply benefits in the following order:

- Regular Benefits
- Crisis Assistance
- State EAP
- State EAP Crisis Assistance
- 2<sup>nd</sup> State EAP Crisis Assistance (if necessary)

EAP payments may not be made for the following expenses:

- Business or commercial accounts
- Deposit fees
- Utility connection or reconnection fees (State EAP funds can be used by homeowners for connection, reconnection and immediate delivery costs after March 15)
- **Unsafe heating devices such as** portable heating devices, **stoves**, etc.
- Past-due bulk fuel bills (unless payment of the past due bill prevents an immediate crisis delivery to the household)

- Setting an LP tank
- Water or sewage bill
- Direct rent payments
- Tampering charges (diversion/illegal usage)
- Appliance payments, appliance service programs charged to the utility bills

## 8.1 Regular Benefits

The benefit computation is completed using the EAP Benefit Matrix, see [Appendix O - Energy Assistance Program Benefit Matrix](#). The matrix sections and instructions follow:

## 8.2 Household Information

Name of Head of Household:	
Application No:	County:
Household Income:	Date of Application:

Enter household and case identification as indicated.

## 8.3 Poverty Level Determination

The Poverty Points are determined by comparing the household's income level and size to the Poverty Guidelines. Points range from 2-6 based on where the household falls on the following charts.

Income levels less than 50% of the poverty level: AWARD 6 POINTS			
Household Size	Income Per Month	Income for 3 months	Income Per Year
1	\$503	\$1,508	\$6,030
2	\$677	\$2,030	\$8,120
3	\$851	\$2,553	\$10,210
4	\$1,025	\$3,075	\$12,300
5	\$1,199	\$3,598	\$14,390
6	\$1,373	\$4,120	\$16,480
7	\$1,548	\$4,643	\$18,570
8	\$1,722	\$5,165	\$20,660
Add Member	\$174	\$523	\$2,090

Income levels less than 100% of the poverty : AWARD 4 POINTS			
Household Size	Income Per Month	Income for 3 months	Income Per Year
1	\$1,005	\$3,015	\$12,060

2	\$1,353	\$4,060	\$16,240
3	\$1,702	\$5,105	\$20,420
4	\$2,050	\$6,150	\$24,600
5	\$2,398	\$7,195	\$28,780
6	\$2,747	\$8,240	\$32,960
7	\$3,095	\$9,285	\$37,140
8	\$3,443	\$10,330	\$41,320
Add Member	\$348	\$1,045	\$4,180

Income Levels Less than 150% of Poverty: AWARD 2 POINTS			
Household Size	Income Per Month	Income for 3 months	Income Per Year
1	\$1,508	\$4,523	\$18,090
2	\$2,030	\$6,090	\$24,360
3	\$2,553	\$7,658	\$30,630
4	\$3,075	\$9,225	\$36,900
5	\$3,598	\$10,793	\$43,170
6	\$4,120	\$12,360	\$49,440
7	\$4,643	\$13,928	\$55,710
8	\$5,165	\$15,495	\$61,980
Add Member	\$523	\$1,568	\$6,270

Category: Poverty Levels	Points Possible	Points Awarded
Income levels less than 50% of the poverty level	6	
Income levels less than 100% of the poverty level	4	
Income levels less than 150% of the poverty level	2	

- Compute the household's income for the most recent available three (3) months. However, no information over 5 months old can be accepted.
- Locate the point on the chart where the income and household size falls and circle the amount and the number of points to be awarded.
- Enter the number of points on the matrix under Poverty Points.
- The federal poverty guidelines are updated in January each year. Indiana updates the guidelines in September before the start of the new EAP heating season each year.
- For current guidelines:  
<https://www.federalregister.gov/documents/2017/01/31/2017-02076/annual-update-of-the-hhs-poverty-guidelines>

## 8.4 Dwelling

Dwelling points are awarded based on the relative cost of heating three types of dwellings. A manufactured home on a foundation is classified as a single, site built.

Category: Dwelling	Points Possible	Points Awarded
Mobile Home	2	
Single, Site Built	2	
Multi-Unit (Duplex or Greater)	1	

Award two (2) points if the household lives in a mobile home;

Award two (2) points if the household lives in a single, site built;

Award one (1) point for households living in a duplex or multiplex (apartments);

Maximum points are two

## 8.5 At-Risk

In order to qualify as at-risk, households only have to prove that they fit under one of the vulnerable categories. For example, if a household qualifies as elderly, it doesn't have to prove that a member is a veteran too. Points for maximum benefit in the matrix are only awarded once, so LSPs should verify a household as vulnerable in the easiest verifiable category.

### Persons with a Disability

A person is determined to be a living with a disability if he or she receives benefits from the Social Security Administration (SSA). A household with any member meeting the definition of a person with a disability above is counted as a Disabled Household for EAP statistical purposes. A household member is automatically considered to be a person with a disability if he or she receives one or more of the following benefits:

- Supplemental Security Income (SSI)
- Social Security Disability Income (SSDI)
- Veterans Disability
- Medicaid Disability
- Medical Assistance for Aged, Blind, and Disabled (MAABD)
- Railroad Retirement Disability
- Vocational Rehabilitation Services
- Black Lung Disability

SSDI are earned benefits that are paid to clients with physical or mental disabilities that will prevent them from working for at least twelve (12) months. The clients have worked and paid Social Security taxes long enough to qualify. These benefits can be paid to a child or spouse upon death of the client.

SSI benefits are paid to low-income clients who are sixty-five (65) or older without disabilities but meet the financial limits, who are adults living with a disability based on the



definition of SSDI. This program is designed for people with very limited income and assets.

If the person with a disability does not have the above documentation, he or she may present a doctor's statement. The doctor's statement must indicate that the client is unable to engage in any substantial, gainful activity, by reason of any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of twelve (12) months or longer. The doctor's note should not indicate the nature of the disability, or any other medical history. Instead, it should only state that the person has a disability that will last twelve (12) months or longer.

If the client presents a doctor's disability statement, he or she must provide a pending SSA application or appeal for benefits.

### **Households with Elderly Persons**

EAP considers households with elderly persons for EAP statistical are to be households containing a member sixty (60) years or older. If an elderly household member is also a person with a disability, the household is counted as Elderly, not Disabled, for EAP statistical purposes.

### **Veterans and Military Personnel**

A Veteran household is defined as a household where any member of the household served for any length of time in any military service branch (Army, Navy, Air Force, Marines or Coast Guard) and received an honorable discharge if no longer participating in active services. Veteran and Military status can be illustrated with a DD214 form, VA benefit documentation, or unexpired military Identification reflecting current or previous duty.

These documents can be used to determine proof of veteran status:

- Form DD214.
- Veteran's Administration Identification Card (VIC).
- Retired Military ID card (typically blue) – never expires.
- Active Duty ID card (typically green) –has an expiration date.
- Reserve ID card (typically red) – has an expiration date.
- Military Separation/Retirement Orders.
- Veterans of Foreign Wars Card (VFW).
- American Legion membership Card.
- Veteran's Administration Disability Award Letter.
- A homeowner with a VA Loan.
- State Driver's License or Identification card with veteran identification.

### Households with Children Under Age Six (6)

Households with at least one child under age six (6) are considered at risk. The At-Risk households for the Energy Assistance Program include the elderly (60+), individual with a disability, veterans, and households with children under six (6) years old.

Category: At-Risk	Points Possible	Points Awarded
Elderly (60+), individual with a disability, veterans, and/or children under six (6).	3	

Award three (3) points only if the household has a member who fits one of the At-Risk factor definitions. **Households only need to have one member fall into one category to be considered at risk.** Households only have to provide documentation on one factor to receive At-Risk points. Maximum points are three (3).

## 8.6 Fuel Source

Points are awarded for the primary Fuel Source based on the relative costs of heating with the various types of fuel.

Category: Fuel Source	Points Possible	Points Awarded
Bulk Fuels (Kerosene, LP Gas, Oil, Wood, Coal, Pellets)	3	
Natural Gas	2	
Electric	2	

Award three (3) points if the household heats with one of the bulk fuels (kerosene, LP Gas, oil, wood, coal, or pellets)

Award two (2) points if the household heats with natural gas.

Award two (2) points if the household heats with electric.

Maximum points are three (3).

## 8.7 On-Time Payment Incentive

One (1) point is awarded if the household is current (no outstanding balance) on its most recent primary heating source. **One (1) point is awarded if the household is current on its most recent electric bill. If the household has only electric and is current, it is awarded 2 points. Renters with utilities included in the rent will be eligible for the on-time benefit for the utility that is included in the rent if the rent is current. No documentation is necessary to prove that the rent is current.**

Category : On-Time Payment Incentive	Points Possible	Points Awarded
<ul style="list-style-type: none"><li>The household is current (no outstanding balance) on its primary heating source bill.</li><li>Bulk fuel households must not be in crisis.</li></ul>	1	

<ul style="list-style-type: none"> <li>• Renters with utilities included in the rent will qualify if the primary heating source is included in the rent and the rent is current.</li> </ul>		
<ul style="list-style-type: none"> <li>• If a household is current (no outstanding balance) on its electric bill.</li> <li>• Renters with utilities included in the rent will qualify if electricity is included in the rent and the rent is current.</li> </ul>	1	
<ul style="list-style-type: none"> <li>• If a household has only electricity as its primary heating source and is current.</li> <li>• Renters with utilities included in the rent will qualify if electricity is the primary heating source and is included in the rent and the rent is current.</li> </ul>	2	

## 8.8 Electric Utility Payments

Even though a household may not depend on electricity as a source of heat, electricity is generally required to operate the heating source. Therefore, it is important to maintain electricity to ensure effective operation of the primary heat source. That is why the program adds \$75 for the electricity utility in the benefit matrix.

However, the LSP may not apply regular benefit dollars to the electric utility and less to the heat **utility when electricity is not the main heating source.**

## 8.9 State EAP Benefit

Each homeowner who has applied for and has been approved for LIHEAP benefits is eligible to receive \$60 toward the primary heating bill. **Homeowners can also receive \$150 in crisis benefits at the time of application.**

Homeowners in crisis may request a crisis benefit up to \$150. Homeowners with a crisis should receive the benefit at the time of initial application. However, clients are allowed to return after the end of moratorium, March 15, for an additional crisis benefit if there is a new documented crisis. **The homeowner must present documentation that justifies the additional crisis assistance. If the homeowner comes in after March 15<sup>th</sup> and has not already received the first \$150 in assistance, he or she may receive the entire \$300. Homeowners may receive State EAP until the end of the program year (August 17).**  
Reference: LIHEAP Statute Section 2604 (c) (2).

## 8.10 Calculating Crisis Assistance for Regulated Utilities

Crisis benefits may be applied if the household owes money on the heating and/or electric source. To be eligible for the crisis benefit, the household must have lost service or be in danger of losing service. The household must provide a utility bill with a disconnect amount or verification from the utility company that the client is up for disconnect. The allowable crisis benefit is the actual amount needed to maintain or restore service, up to the maximum

crisis benefit of \$200. The agency must show in the client file how the crisis award was determined. Reconnection fees and other such penalties may not be paid for with EAP funds.

The crisis benefit will be based on the family's circumstance at the time of application. This applies at any time that the household initially applies, before, during, or after the moratorium period.

To calculate the crisis benefit, the agency will subtract the amount of the EAP regular benefit from the disconnection amount listed on the bill. The crisis benefit amount will be the difference, up to \$200 for regulated utilities.

For example, for a total electric home earning 12 points, they would be awarded \$310. They present a disconnect notice of \$625.00. They would receive \$310 + \$200 crisis for a total of \$510. Customer would need to provide documentation showing the remaining \$115 has been paid.

Crisis assistance may be split between the two utilities, as long as the total amount does not exceed \$200 for both utilities. The crisis benefits may be applied entirely to the electric utility even if it is not the primary heat source if there is an electricity crisis. The LSP must show in the client file how the crisis award was determined.

The LSP must ensure that the benefit amount with crisis assistance, is enough to prevent disconnection and maintain regular service. If the benefit amount including crisis is not enough to prevent a disconnection, the client should be asked to make a payment to the utility vendor for any past due amounts or deposits before the pledge is made. The agency may refuse a benefit if the benefit amount is not enough to maintain active service and the client lacks the funds to pay the remaining balance or subsequent deposits.

## **8.11 Calculating Crisis Benefits for Unregulated Utilities**

Clients of unregulated utilities experiencing an energy emergency are eligible for the maximum benefit of \$400 in Crisis Assistance. Unlike regulated utilities, clients with unregulated utilities can come back after initial application for crisis assistance, if necessary, and as long as the agency has funds available if the **entire \$400 wasn't given upfront**.

Households who use bulk fuel vendors are not covered by moratorium protection and may be in an energy crisis at any time throughout the winter. Crisis assistance for bulk fuel households may be extended up to the maximum of four hundred dollars (\$400), anytime from the beginning of the current year's program until the end of the heating season. Agencies have the following options for offering crisis assistance:

- Offer the maximum crisis (\$400) at time of application to ensure a minimum number of deliveries or prevent the client from coming back later for the crisis benefit.
- Offer clients a regular benefit at the time of application and allow come back for crisis later.

- The crisis assistance may be split between the two utilities, as long as the total amount does not exceed \$400 for both utilities.

Example: For bulk fuel, if a client has an electric disconnect bill of \$310 and will receive a \$75 regular EAP benefit, there is \$210 difference. A crisis benefit of \$200 may be awarded if the client can pay \$10. Her bulk fuel fill is \$576 with a regular benefit amount of \$300, there is a \$276 difference.

Electric Disconnect: \$310

Regular EAP benefit: \$75

Difference: \$210

The client can get \$200 in crisis, if she can pay \$10.

Bulk fuel fill: \$576

Regular EAP Benefit: \$300

Difference: \$276

The client can receive the entire \$400 crisis up front: The client would be able to fill the tank with \$276 and have \$124 left on the voucher.

## 8.12 Total Benefit

Total points are used to determine the amount of the Regular EAP benefits. **Electric, Regional differences, State EAP, Crisis, and State Crisis are dollar amounts that are added.**

### Benefit Matrix Points

Category	Maximum	Minimum Points Possible
Poverty Level	6	2
Dwelling Type	2	1
At-Risk population	3	0
Fuel Source	3	2
On-Time Benefit	2	0
Total	16	5

Benefits	Maximum Possible	Minimum Possible
Total Points X \$25	\$400 (16 pts)	\$125 (5 pts)
+ Electric	\$75	\$75
+ Regional Differential (\$5 South, \$10 Central, \$15 North)	\$15	\$5
Total Regular EAP benefit	\$490	\$205

+ Crisis EAP	\$200 (regulated) \$400 (unregulated)	\$0
+ State EAP Regular (homeowners only)	\$60	\$0
+ State EAP Crisis (If applicable for homeowners only)	\$150	\$0
+ State EAP Crisis after March 15 (If applicable for homeowners only)	(\$150)	\$0
Total EAP Benefit	\$1,100 (\$1,250 if given an additional EAP State crisis benefit)	\$205

### Calculating the Benefit:

1. Add all of the points in each category for the Total Points. Multiply that amount by \$25 per point and enter the subtotal.
2. Add \$75 for the electric benefit (already on the form).  
If the primary heating source is electric, then the entire benefit will be given to the electric utility. If a household does not have electric service, the household is not eligible for the electric benefit.
3. Enter the correct Regional Differential of \$5 for the South region, \$10 for the Central Region, or \$15 for the Northern region, see [Appendix P - Regional Map](#).
4. Enter the amount of any Crisis benefit when applicable.
5. For homeowners only:  
Enter the amount of the regular State EAP benefit  
Enter the amount of State EAP Crisis

Homeowners may also return for a second Crisis benefit after Moratorium (March 15) **until the end of the heating season**. LSPs should update the matrix at that time.

5. Add the amount of the points from the regular benefit, the electric benefit, the regional differential, the Crisis, and State EAP Regular and Crisis (if applicable) to determine the Total EAP Benefit.

### 8.13 Credit Balance

If an applicant household has a credit balance in excess of \$500 on one of the regulated utilities at the time of the application, that utility will not be considered eligible for assistance for that bill until the credit balance is under \$500. Once the credit balance is under \$500 the client can come back and request the benefit if the he or she meets the other program requirements.

If the client's credit exceeds the \$500 limit for a regulated utility, he or she may request to waive the benefit and add the funds to another benefit, see *Appendix Q - Benefit Waiver Request Form*, which must be completed and approved by the LSP's Program Manager. A copy of the waiver must be kept in the client's file. Upon approval, the client will be ineligible for additional benefits until the next program year.

If the client has a credit balance on the unregulated utilities, he or she is eligible for both the heating and electric benefits, regardless of the credit balance.

## 8.14 Inoperable Heating Source

If the home's designated heating source is not operable either due to intentional disconnection or mechanical failure, the applicant is not eligible for the regular benefit if he or she is heating with an unsafe source (such as electric space heaters, stove or other unsafe alternatives). The client is eligible for the electric credit only. However, if the client is heating with an alternative safe heating source (such as a wood burning stove), the primary benefit may be applied to that heating source. LSPs should be sure that secondary heating sources are safe before approving a benefit. The client must fill out *Appendix AA – Declaration of Inoperable Heating Source*.

The client may not waive the heating benefit to electricity when electricity is not the primary heating source when there is no operable heating source because the EAP program is intended to assist with heating.

If the client has not received a regular EAP benefit, and if the primary heating source is found to be operable later during the program year, the client may re-apply for the regular benefit. Intake staff should update the original application, the file, the notification letter, and supporting documentation showing the repair or replacement.

### Replacement Heating Source

If the client replaces the designated heating source with a new primary heating source, the household may receive the regular benefit for the new heating source. For example, if client has installed an electric baseboard heating system instead of the previous LP furnace the household may now receive a regular benefit for electricity. The household must provide documentation, such as a receipt for installation. All primary heating source changes are subject to verification and households who change their heating source multiple times within a five-year period may be asked for additional documentation.

## 9. Summer Cooling Assistance Program

If funds are available, IHCD will conduct a Summer Cooling program. The statewide Summer Cooling Assistance Program for PY2018 will be in June 2018 to August 2018. Unless otherwise specified below, the rules established for the EAP Heating Assistance Program apply to the Summer Cooling Assistance Program. Each agency will be allocated a certain amount of administrative funds to supplement the operating costs for running the summer cool transmittals.



## 9.1 Summer Cool Eligibility

All households who received PY2018 winter heating benefits are considered eligible for Summer Cooling Assistance Program based on the previously approved application. A further eligibility determination is not necessary.

The program is not restricted to households who received the prior winter's heating benefit. A household who did not receive heating benefits the prior winter must be determined eligible under the guidelines as a new applicant. New households or households who were deemed ineligible may apply. LSPs may begin taking new applications **after all EAP heating season clients have received a benefit and all air-conditioners have been allocated.**

## 9.2 Summer Cool Benefits

All eligible households qualify for:

- An electric benefit. The amount varies by year depending on available funding.
- A room air conditioner, if there is medical condition documented by a medical professional. The documentation does not need to state the medical condition.

The electric benefit is awarded to households who are responsible for an electric utility bill and will be paid directly to the electric utility vendor. The amount of the electric benefit will be determined prior to the start of the Summer Cooling Assistance Program and will be based on funding availability at that time. **Renters whose utility is included in rent will also be eligible for summer cool. There will be a direct payment made to households with electric included in their rent.**

### **Relocating between winter and summer programs**

EAP clients who change service areas before the start of the Summer Cooling Assistance Program will have their benefits processed at the agency where their winter benefits were processed.

Clients who move from the original LSPs area but still maintain the same utility vendor and have the same account numbers must change their address with the utility vendor. No action is required by either LSP because the award will be applied to the correct account.

Clients who move to a new LSP and have a new utility vendor must contact the original LSP to update their utility information. Clients must supply the original LSP a new utility bill to confirm their name, address and account number.

## 9.3 Window Air Conditioners

Under certain circumstances, a household may be eligible to receive an air conditioning (A/C) unit, **in addition to** the Summer Cool monetary benefits. LSPs are not required to provide A/C units as part of the summer program. **If an agency chooses not to provide air**

conditioners, it must inform IHCD of its intent not to offer this service. Households with an operating central air conditioning unit are ineligible for a window unit.

A room air conditioner may be awarded to income eligible households who pay an electric bill and meet the medical conditions. All the following criteria must be met to receive an air conditioner:

- The household must be financially eligible for the program as described above.
- The household must have at least one household member living with a medical condition and whose health may be jeopardized by not having an air conditioner.
- The medical condition must be verified in writing by the appropriate medical professional, see *Appendix R - Air Conditioner Affidavit*. The statement must be completed and signed by the medical professional. In order to comply with HIPPA regulations, no information about the client's actual medical condition should be indicated on the form. The statement can be sent directly to the LSP, as long as no medical information is indicated on statement.
- The household must be classified as At-Risk: elderly, disabled, veteran, or have a child under age six (6). However, a household who applies but does not qualify as at-risk can still qualify for an air condition unit if LSP feels that a life-threatening situation exists. The LSP Program Manager should complete a waiver for the file.
- The household must sign a statement that it will not sell or transfer the air conditioner for a period of five (5) years.

A household qualifies for the air conditioner benefit no more than once every five (5) years, except in extreme circumstances such as a flood, tornado, or fire that caused the household to relocate. Households who received an air conditioner in PY 2013 or prior are eligible for an air conditioner in PY 2018.

### Air Conditioner Requirements

LSPs must purchase air conditioners that meet these requirements:

- At least 5,000 BTU (British Thermal Units) capacity units.
- **Must not** exceed a cost of two hundred seventy five dollars (\$275). LSPs should purchase the units at a lower cost when available. LSPs can purchase additional A/C units (beyond the ten (10) allotted) if the LSPs are able to purchase them for less than the \$275 and have available funds.
- Must be Energy Star rated. Exceptions must be approved in writing by the Community Programs Manager.
- If the LSP has surplus A/C units that will be carried over to the next program year, the LSP must submit the carry over numbers to IHCD.
- **Renters whose utility is included in the rent must receive permission from their landlord to install the A/C unit.**

It is important to purchase enough of a supply of air conditioners to accommodate the anticipated demand and obtain a volume based price. However, inventory should be limited to avoid storage costs. IHCD suggests that agencies plan to have no more than 10% of

their volume on hand to carry over as inventory for next year. Agencies may also issue a merchandise credit from the vendor to allow the client to pick up the unit directly

Any warranty issues with the air conditioner should be handled between the client and the vendor.

The purchase of air conditioners will be tracked using the Summer Cool A/C Funds line item on the EAP Budget Form. Agencies will submit a claim (not a transmittal) to IHCD via IHCD Online, which will go through the agency's fiscal department, for the air conditioner units purchased. A copy of the purchase invoice must be provided as proof of purchase.

## **10. LSP Financial Management**

As a condition for receiving the LIHEAP block grant, the State of Indiana is required to account for the expenditure of those grant funds. The subcontracting network, the Local Service Providers, participate in this process by providing fiscal and statistical information.

### **10.1 Claims**

The LSPs may claim reimbursement for EAP obligated funds from IHCD for Eligibility, Energy Education, and Family Development. This procedure should sufficiently maintain the LSP's cash flow.

Benefits paid by an LSP which exceed the available balance of that LSP's allocation, or the payments made that go over the maximum percentage of a particular line item, will not be reimbursed by IHCD.

For State EAP, LSPs will add the additional State EAP to each homeowner's primary heating source as a separate benefit claim using "IHCD Regular" as the funding source.

The IHCD staff and contractors will monitor and statistically sample the client files to ensure that the LSP is maintaining acceptable program eligibility documentation and financial payment records.

### **10.2 LSP Budgets**

LSPs will inform IHCD of their budgets in writing using the budget form, see ***Appendix S - Energy Assistance Program Budget***. Each agency will submit a budget to IHCD at the time of initiation of the annual contract, its renewal, or upon a change of funding. The budget is effective October 1<sup>st</sup> through September 30<sup>th</sup> each year. IHCD will approve all budgets and subsequent modifications.

The submitted budget will be available on IHCD Online forty-eight (48) business hours after receiving notification the document is available.

The allocation for **PY2018** EAP funds to the Local Service Providers will be based as follows:

- IHCD will allocate funds using the same formula as previous program years.
- If the federal appropriation exceeds the current projected amount, IHCD will distribute additional funds on an as-needed basis.
- If an energy crisis is identified or energy emergency is declared, IHCD may amend the funding allocation to accommodate the energy crisis.
- An LSP may modify its budget when it changes the dollar amounts between line items. Budget modifications can be completed any time during the program year as long as the budget meets the percentage requirements:

LSP Budget	Allowed Percentage
13.5% Limit	
Eligibility (based on expenditures)	8.5% (Exclusively for eligibility and is not to be mixed with other budget lines)
Assurance 16 (5% of total expenditures)	5%
Regular/Crisis Assistance	
Regular Assistance	
Crisis Assistance (must set aside 8% budget through March 15)	
Summer Cooling Program	
Summer Cooling Benefits (if additional funding is available)	
Summer Cooling A/C Funds (if additional funding is available)	

An LSP may request additional funds if it has reached its benchmark **as outlined in the grant agreement:**

- **Obligating forty-five percent (45%) of the Grantee's LIHEAP funding under this Agreement by January 31;**
- **Obligating sixty percent (60%) of the Grantee's LIHEAP funding under this Agreement by March 16, 2018; and**
- **Obligating seventy-five percent (75%) of the Grantee's LIHEAP funding under this Agreement by April 18, 2018.**

**Benchmark analysis is conducted by the IHCD Community Programs Manager, and LSPs are no longer required to submit funding analysis. IHCD looks at the amount of regular and crisis benefits obligated.**

The request for additional funds must be sent to the Community Programs Manager from the LSPs Executive Director, submitted on agency letter head and must include:

- Estimated number of clients to be served and average benefit per client (this should include a summary of appointments currently scheduled and estimated number of mail applications to complete)
- Estimated amount of funds to be used toward program administration
- Total amount of funds needed
- Estimated length of time that the funds will cover

The Community Programs Manager will review the funding request to ensure that the information provided reconciles and will evaluate historical trends from the previous year to ensure that the estimated service delivery seems reasonable given trends from the previous years. If there is not enough available funding to complete the request, the Community Programs Manager will request that the LSPs modify the request based on the balance of available funds. The funds are not available to the LSP until the amendment is signed and returned to IHCD.

IHCD will create grant amendments for adding. The LSP's Executive Director will sign the amendment and return it to IHCD with an updated budget. Anytime IHCD issues additional funds to a LSP an amendment must be completed. The funds will not be available to the LSP until the amendment is signed and returned to IHCD.

An LSP may have to return funds if it failed to meet these performance benchmarks. Funds may be reallocated to other LSPs who have met or exceeded the benchmark. IHCD will also create grant amendments reducing funds.

### **Energy Emergency Intervention**

If an energy emergency is declared during the funding analysis calendar, IHCD may amend the funding analysis schedule to accommodate the energy needs of affected households.

In addition, the Community Programs Manager will determine if a recapture is required to mitigate the emergency. LSPs will be notified of the recapture and redistribution of funds at least five (5) days prior to the funding realignment.

## **10.3 Benefit Costs**

These funds go directly for client benefits and are allocated among Regular Heating Assistance, Crisis Heating Assistance, and Summer Cooling Assistance. Benefit costs will be allocated by IHCD. Other federal dollars may subsidize this non-administrative category.

Although agencies may move funds from one benefit line item to another throughout the year, some funding should be maintained in heating and crisis components beyond March 15<sup>th</sup> and cool components through mid-summer.

Benefit line items include:

- Heating Assistance: Heating benefit costs budgeted for payment to utility vendors on behalf of eligible clients.
- Crisis Assistance: Crisis benefit costs budgeted for payment to utility vendors on behalf of eligible clients. LSPs must budget on this line item. IHCD will send out the required percentage for this requirement on or before December 1. Funds should be maintained in the Crisis line item through March 15, if possible, when they can be moved to other line items. If an LSP needs to make changes to the required percentage, the LSP's Executive Director of the agency must make a request to the EAP Program Manager for a contract amendment.
- Summer Cooling Assistance: Cooling costs budgeted for payment to electric vendors for eligible clients. LSPs will not allocate funds to this line item until after the heating season has ended.
- Summer Cool Air Conditioners: Costs associated with purchasing air conditioners. LSPs may keep an itemized inventory onsite or distribute store credits. When claiming for air conditioners, the LSPs must provide a copy of the purchase order, invoice, or receipts. Assurance 16 Activities

#### 10.4 Eligibility (Admin) Costs

Eligibility (administrative costs) will cover overall service delivery of the program. Eligibility costs are defined as the agency costs for intake and eligibility determination and other associated costs.

Agencies may budget and use up to eight and a half percent (8.5%) of their total EAP budget for Eligibility. Any other federal dollars used in the administration of EAP must be included against this limit. Eligibility includes:

- EAP service delivery functions, including fiscal, executive, and support operations.
- EAP program intake functions, including eligibility determination and verification, application processing, and transmittal processing.
- Costs such as rent, utilities, and supplies etc. that are directly associated with staff costs associated with Eligibility determination.
- Technology expenses, including annual maintenance and support of technology.

#### 10.5 Assurance 16

LSPs can use up to five (5) percent of funds for Assurance 16 activities to provide services that *encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved (see LIHEAP statute, 42 U.S.C. § 8624(b)(16))*

Assurance 16 activities fall into two categories: Energy Education Programs and Family Development. LSPs may use up to five percent (5%) of their award for these

activities combined. There is no percentage limit on either category. LSPs may spend all five percent in one category or the other, or may split the 5% however they would like between the categories.

- **Energy Education Costs**

Energy Education and Energy Education/Materials and Supplies are Assurance 16 activities. These activities include Energy Education. Energy education session may be conducted for EAP clients in a classroom, in-home setting, virtually, online or via mail. IHCD must approve any training that LSPs develop on their own. LSPs who choose to do so may consult with IHCD on curriculum contents. Sessions may be conducted in the office or any other appropriate setting such as Senior Centers, Head Start parent groups, Public Housing Authorities, utility offices, schools, etc. However, energy education costs must be spent within the EAP program on EAP funded activities and not be directed towards the LSP general budget.

LSPs may purchase necessary materials and supplies for energy education. LSPs may also want to enhance their presentation with educational material not otherwise provided, such as an Energy Education Kit. The following items are potential materials that may be included in an energy education kit:

- Carbon Monoxide Alarm w/ battery
- Radon Alarm w/ battery
- Smoke Alarm w/ battery
- Smoke and Carbon Monoxide (combination) Alarm w/ battery
- Energy Savings Smart Surge Protector (6ft. w/ 8 total outlets)
- 13 watt, energy star mini spiral compact florescent light bulb (CFL)
- 18 watt, energy star mini spiral CFL
- 23 watt, energy star mini spiral CFL
- 13 watt, energy star dimmable CFL
- 18 watt, energy star dimmable CFL
- 23 watt, energy star dimmable CFL
- Green Deeds Energy Conservation Wheel
- Hot Water Temperature Card
- Refrigerator/Freezer Thermometer or Temperature Card
- Window Kit (shrink fit 42 x 62)
- Window Kit (shrink fit 62 x 210)

NOTE: LED (light emitting diode) light bulbs can be substituted for CFLs

LSPs may claim actual costs for energy education programs. For materials or supplies, the LSP should provide purchase orders, invoices, or receipts and a report from the LSP's accounting software showing that the purchases are accounted for properly. LSPs may submit a copy of any pre- and post-tests or surveys when applicable.



- **Family Development**

Family development is also an Assurance 16 activity. LSPs can use Family Development to strengthen their case management. Family Development Program participants are eligible for further case management services with an emphasis on energy conservation allowing LSPs to enhance their ability to provide social services to EAP households.

Family Development line items include:

- Costs associated with short-term, intermediate, or long-term case management intervention with an EAP household,
- Needs assessment and energy counseling
- Travel by **EAP Staff** to provide **Family Development** services to client(s).
- Training for **EAP Staff in Family Development**

**Acceptable Assurance Activities:** Assurance 16 funds may be used to conduct referral and advocacy activities that contribute towards reducing household energy need and enabling energy security. The direct preparation, performance, and recording of LIHEAP referral and advocacy activities may be charged to Assurance 16. Such allowable expenses could include: needs assessment counseling, staff time for referrals, printing costs and postage for mailing Assurance 16 materials and information (such as energy efficiency pamphlets and letters for family development meetings), etc.

Please see <https://liheapch.acf.hhs.gov/pubs/LCIssueBriefs/A16/A16.pdf>.

**Unacceptable Assurance 16 Activities:** Any activities that may be considered Administrative costs such as office space, desks, equipment, supplies, non-LIHEAP staff referring clients to LIHEAP, etc. During the LIHEAP monitoring visit, HHS staff noticed these kinds of non-allowable expenses were being charged to the Program Support line.

**Documentation of Assurance 16:**

LSPs may create their own Assurance 16 plan. All assurance 16 activities should be outlined in the Grantee Plan Packet, which is reviewed and accepted or sent back for revision by IHCD. LSPs should be able to document Assurance 16 activities in the same way they document other EAP activities. Some of these documents could include:

- Assurance 16 may be claimed at actual cost.
  - Payroll records/ledger that identify the number of hours spent on Family Development.
  - Timesheets from the Family Development Specialist.
  - Paystubs showing hours paid for family development.
- Transfer documentation or journal entry if the expenses are reimbursed from another program that pays the employee's salary.

## 10.6 Program Support Costs

**The Program Support line currently under the Assurance 16 budget line will no longer be allowable for all claims submitted on or after June 15, 2017.** The overall percent of five (5) percent for Assurance 16 will not change and does not need to be broken into specific activities. LSPs may continue to use the Assurance 16 budget line to be reimbursed for the following acceptable Assurance 16 activities.

Previous Claims:	Claims on or after June 15, 2017:
ELIGIBILITY (UP TO 8.5% OF EXPENDED AMOUNT)	ELIGIBILITY (UP TO 8.5% OF EXPENDED AMOUNT)
<b>Assurance 16 (5% of Expenditures)</b>	<b>Assurance 16 (5% of Expenditures)</b>
Energy Education	Per 42 U.S.C. § 8624(b)(16)
Family Development	
Program Support (no more than 3% of total)	

## 10.7 CSBG Funds

LSPs may **not** use Community Services Block Grant (CSBG) funds to cover excess Low Income Home Energy Assistance Program (LIHEAP) Administrative costs. The LIHEAP statute is codified the United States Code at: 42 U.S.C. § 8621-8630 (2008). Section 2605(b) (9) of the LIHEAP statute requires grantees to assure that they will follow these requirements:

*(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year, and*

*(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost.*

*In 1991, the Government Accounting Office issued a report, "Low Income Home Energy Assistance: HHS Has Not Assured State Compliance with Administrative Cost Restrictions" (GAO/HRD-91-15). The issue raised in the report involved a state's use of Community Services Block Grant funds to supplement the 10% of LIHEAP funds that the state was using for LIHEAP administrative costs. As a result, this office issued FSA-IM-91-19, in which we reminded grantees that any Federal funds used for LIHEAP administration and planning must be applied to the 10% limit on federal funds. The only exception to this restriction is for costs associated with administering Assurance 16 activities.*

In Indiana the State retains 1.5% and the LSPs receive 8.5% of this total. Effective June 15, 2017, all federal funds used for LIHEAP administration must be counted toward this 8.5% administrative total. Therefore, LSPs must use nonfederal funds to supplement any expenses necessary to administer the LIHEAP program beyond the 8.5% allowable LIHEAP administration. Although allowable by the CSBG federal regulations, the

LIHEAP federal regulations restricts the supplanting of CSBG to the LIHEAP administration expenses.

## 10.8 LSP Online Claims Submission

All service providers must submit claims at least monthly for their administrative expenses and **Assurance 16**. All claims and supporting documentation are submitted online at IHCD Online <https://ihcdaonline.com>. **LSPs should reference** the IHCD Claims Manual located on the IHCD Partner site <http://www.in.gov/myihcda/2477.htm> or [www.eap.ihcda.in.gov](http://www.eap.ihcda.in.gov) for assistance.

When filing a claim for expenses, LSPs should include reports or registers from accounting software, as well as purchase orders, invoices, and receipts where applicable. The documentation should support expenses that are being claimed.

## 10.9 Transmittals for Moratorium Protection Only

LSPs must run a separate set of transmittals for clients who are eligible for moratorium protection **but who have not yet received a benefit or funding is not yet available**.

When funding is made available **or the client gets approved for the benefit**, agencies must run the Hold Status Report. All clients on this report must be changed from ON HOLD to approved, and benefits must be distributed to all of the clients listed on the report. Agencies must run regular transmittals to notify vendors that funding is available.

## 10.10 Closeout

The grant cycle for the energy assistance program closes on September 30 of each year. To close out the grant cycle, the program's allocation spreadsheet and budget forms will be reconciled to the closeout form, see **Appendix T - EAP Closeout Form**. **The close out process is the same for both Federal and State funds:**

- The LSP is notified of the closeout date and sent the close out forms. All closeout forms must be received 45 days after September 30<sup>th</sup>. The closeout form and the final claim must be received by November 15<sup>th</sup>. **LSPs should ensure that the allowable percentages are in line with the LIHEAP agreement. If not a request for repayment will be made by IHCD.**
- IHCD will reconcile the close out form to the allocation spreadsheet. IHCD will verify that the final budget amount on the allocation spreadsheet matches the amount to the final allocation amount on the closeout form. IHCD will verify that final grant expenditures matches the final expended amount on the close out form.

If there are discrepancies in any of these amounts, IHCD will contact the LSP for clarification.

Any Federal or State EAP funds that are not expended by the LSP will be returned to the program and redistributed during the next program year. The LSP will not carry over the funds in its budget during the next program year.

### **10.11 Procurement**

Procurement activities should be conducted in a manner to provide open and free competition. Each LSP must develop its own procurement standards based on its organization's procurement policies.

When an LSP purchases items for the energy assistance program, it must follow all agency, State and Federal procurement guidelines. All purchases must be eligible expenses. All purchases over \$5,000 must follow the guidelines established in the EAP Agreement.

## **11. Monitoring and Compliance**

The State has the responsibility to ensure that all LSPs are correctly carrying out the administration of the program. Each LSP's EAP program will undergo an annual monitoring review to evaluate execution of the guidelines established in the EAP Program Manual.

The State has contracted the fiscal claims and client file compliance reviews of the EAP program to a subcontracted monitoring firm.

The objectives of monitoring are to ensure:

- The LSP has properly followed written procedures, applicable laws, regulations and contract terms.
- The LSP has administered the program according to established time frames.
- Calculation of household income is correct.
- EAP benefits are correctly applied to the clients.
- Eligible costs are charged to administer the program.
- Internal procedures and controls are in place to minimize the opportunity for fraud, waste, abuse, and mismanagement.
- The LSP has the capacity to carry out the program's goals and objectives.

Additionally, the State is federally required to complete a risk assessment on each LSP. The risk assessment includes risk categories that generally cover use of funds, claims and transmittal compliance, and findings/concerns/errors from monitoring.

## 11.1 Monitoring Process

IHCDA randomly selects at least three percent (3%) of the LSP's client files and submits the files to the contract monitors for the review. Incomplete files may be part of the file review and should be marked accordingly including the reason why they are incomplete or denied.

Notification of the desktop monitoring will be sent at least 30 days prior to the visit. **The LSP will receive a list of files to be uploaded for desktop monitoring at least fourteen (14) days prior to the review.**

**Currently all the EAP client file reviews are conducted by desktop. EAP Fiscal Review is conducted onsite combined with other program reviews such as CSBG, IDA and WAP. On-site monitors will act as a liaison with the EAP program manager to discuss the results of the client file desktop monitoring. During the desktop review, the desktop team will communicate findings or concerns with the onsite liaison daily. The contract monitors will conduct the review at the LSP's primary location. Each review will include an entrance conference. Monitors will conduct the following reviews:**

- Client Eligibility Review - Review of applicant files for correct program documentation and income calculations.
- Financial Review- Review of transmittal payments, verify that processing times are **within 60 days.**
- Vendor Claims -Review vendor claims to ensure that claims are submitted to IHCDA within five (5) days.
- Programmatic Interview- Monitors will interview the LSP's EAP Manger regarding the administration of the program, including LSP internal controls for employees receiving benefits, client participation in Energy Education Program, outreach activities for at-risk applicants, LSP crisis procedures, etc...
- Performance Benchmarks Review- Review the LSP's obligation of funds to determine if contract benchmarks were met.
- Quality Assurance review: Confirm that the LSP internally monitored **ten percent (10%) of** files within the forty-five (45) day QA requirement.
- A review of each LSP's OMB Single Audit for findings related to LIHEAP

## 11.2 Monitoring Report

Each LSP will receive a copy of the monitoring report within thirty (30) days from completion of the exit conference. LSPs will have ten (10) days from the exit conference to submit additional or outstanding information. Any outstanding information that is not received within ten (10) days will be considered a finding on the monitoring report.

The monitoring report will include at minimum the number of files reviewed, the number of findings and concerns, amount of benefits to be paid to clients, any funds which should be repaid to IHCDA, and suggestions for future program enhancement. LSP will have fifteen (15) days from receipt of the monitoring report to respond.

Fiscal Findings that may result in an overpayment or underpayment to the client due to an incorrect benefit matrix point allocation in could be any of the following areas:

- Household Income
- Dwelling
- At-Risk
- Fuel Source
- Regional differential
- On-time incentive
- State EAP for homeowners
- Unallowable costs charged on EAP claim

Concerns that are related to errors in executing and documenting the program rules and guidelines may be the following:

- LSP is unable to provide the application to review.
- Application has not been signed or dated by the applicant.
- No social security number was included in the documentation.
- Signed lease or landlord affidavit was not provided in the documentation.
- Client utility bill is not present in the documentation.
- Zero income verification affidavit documentation missing or incomplete.
- LSP performed QA on less than ten percent (10%) of client files.
- QA was not performed within 45 days from completion.
- QA file was found to have errors.
- Staff or relatives of staff application was not signed by the Executive Director or designee.
- LSP didn't have signed IHCD Employee Confidentiality Agreements for all staff working on the EAP Program.

### **Error Rate**

The error rate is the total number of Findings and Concerns divided by the total number of files (approved and denied) reviewed.

The error rate is considered a benchmark to identify if there is a need for additional training and technical assistance. The error rate may result in the LSP being placed on a quality improvement plan or a modified quality improvement plan.

### **Example**

1 Finding + 5 Concerns= 6 total errors ÷ 75 reviewed files= 0.08 or 8% error rate

The LSP will send the monitoring response to the contract monitor within thirty (30) days. The contract monitor will respond to the LSP monitoring response within fifteen (15) days. If the LSP chooses to send a second response to the contract monitor, the response must be sent within fifteen (15) days. If the contract monitor agrees with the response, the monitoring period is then closed, and the response is sent within fifteen (15) days.

If the LSP does not agree with the second response from the contract monitor, the LSP can appeal to IHCDA for a final decision.

Corrective actions the LSP may need to take include, but are not limited to:

- Crediting funds to a client's account;
- Paying funds to IHCDA because of an overpayment;
- Reviewing an application to verify that portions of the application were properly processed;
- Asking the client for additional information; or
- Attempting to collect a debt.

### **Return of Funds from Monitoring**

When fiscal findings result in an overpayment, funds must be returned to IHCDA. LSPs should follow the below steps in order to return funds to IHCDA.

#### **Step 1**

Select Awards Claim Management

Create Claim

Select Award (LIHEAP) i.e. LI-018-0\_\_ (*NOTE: for the program year of the refund*)

Select Transaction Type (Return of Funds)

Claim List

Click on claim

Claim = enter amount on appropriate line

Comment = "Return of Funds due to EAP Monitoring Finding"

SAVE = upload copy of monitoring report w/ finding

Submit document (attaches monitoring report to claim)

Go to Summary = SUBMIT CLAIM

#### **Step 2**

Make check payable to IHCDA

Place the receipt number from the Awards Claim List in the memo

Mail check to: IHCDA Community Programs Manager, 30 South Meridian Street, Suite 1000, Indianapolis, IN 46204.

## **11.3 Quality Improvement Plan (QIP)**

As a part of the monitoring report, each LSPs error rate is assessed to identify if there is a need for additional training and technical assistance. A quality improvement Plan (QIP) is a training and technical assistance plan that typically requires the agency to undergo three (3) additional monitoring sessions over 120 days. If the agency's error rate is twenty percent (20%) or higher, then the agency will be put on a quality improvement plan.



The LSP is notified in writing no more than seven (7) days prior to the onsite or desktop monitoring visit. The monitoring notice will request that the agency have at least fifty (50) client eligibility files per Service County available for review. The files may not undergo the agency's internal QA review in preparation for the visit, unless the files were pulled as a part of the daily QA process. The monitor will pull at least, but not limited, thirty (30) client eligibility files at random. Only a client eligibility review is conducted during the visit.

After the third visit at the end of the **120 days**, IHCD will assess the agency's client eligibility review process. If corrective actions have been made to remedy the findings and concerns, the agency will be cleared from the QIP, and the monitoring period will be closed.

#### **11.4 Modified Quality Improvement Plan (MQIP)**

If an agency's error rate is between 15% - 19%, then the agency will be put on a modified quality improvement plan (MQIP). An MQIP is training and technical assistance plan that requires the agency to undergo three (3) additional monitoring sessions over **ninety (90)** days, or one visit every thirty (30) days. IHCD will confirm the need for a MQIP based on the agency's responses to the monitoring report.

The LSP is notified in writing no more than seven (7) days prior to the monitoring visit. The monitoring notice will request that the agency have at least twenty (20) client eligibility files per Service County available for review. The files may not undergo the agency's internal QA review in preparation for the visit, unless the files were pulled as a part of the daily QA process. The monitor will pull no less than twenty (20) client eligibility files at random. Only a client eligibility review is conducted during the visit.

After the third visit at the end of the **ninety (90)** days, IHCD will assess the agency's client eligibility review process. If corrective actions have been made to remedy the findings and concerns, the agency will be cleared from the MQIP, and the monitoring period will be closed.

If an LSP is unable to successfully complete the improvement plan, then the agency may be required to undergo additional monitoring during the next program year. LSPs who fail to complete quality improvement plans within two consecutive program years may receive a reduction in funding or reduction in service territory.

Completion occurs when consensus and compliance have been reached between the LSP, Contract monitor and IHCD. There is no established time frame for completion because it will be determined when the LSP meets all compliance objectives. It is the responsibility of the LSP to provide the required documentation that all criteria have been met. The involved parties shall clearly agree on documentation for the program year of the noted monitoring.

The monitoring session is not complete until a Monitoring Completion letter has been issued, acknowledging that all corrective actions have been satisfied for the noted monitoring.

### **HHS Program Integrity Plan and Risk Assessment**

Each year, IHCDAs submit a Program Integrity Assessment Plan to the U. S. Department of Health and Human Services. This plan outlines risk analysis and fraud prevention.

This plan outlines but is not limited to:

- Documentation of eligibility
- Identification of household members
- Second party review of cases (QAs)
- Third-party verification of information
- Procedures to identify, report and act on cases of fraud, waste, and abuse
- Program and fiscal monitoring
- Audit and audit reviews

## **11.5 Internal Controls**

Each LSP must have written policies and procedures that ensure accurate client eligibility determination, benefit approval, and protection of the funds from fraud, waste, and abuse. The procedures must outline the agency's step process for completing appointments, processing a mail application, and calculating benefits. In addition, these procedures will be reviewed during the monitoring to ensure total internal compliance. Reviews should be conducted by a program supervisor or manager:

In general, LSP's Quality Assurance (QA) Reviews should check that:

- Client Files reflect the purpose of the program, representing implementation and outcomes of EAP policies. Files should be transparent and show that the client has been served according to the program guidelines.
- Files are complete and clear to anyone reviewing the file, legible and in a logical order.
- Documents which require signatures have been signed.
- Files tell the entire story of that applicant's EAP process.
- Files are consistent and set up similarly in content and order.
- All information is safely stored and secured.
- A QA form has been completed, to keep track of files that have been reviewed.

A complete application must contain the following information:

- Household information.
- Statistical sections.
- Benefit information sections.
- Utility company information.
- Identification of application type, and the signature and date on the application.
- Notification or approval or denial of benefit letter.

A complete application should contain the following supporting documentation:

- Social Security number for all eligible household members.
- Copies of the most recent fuel bills.
- Copies of income documentation.
- Notation of participation in Energy Education Class, if applicable.
- Case-management notes for family development.
- Forms indicating referrals to other LSPs or programs.
- Any other documentation such as notes with the intake worker's comments (i.e. notes regarding contacts with utility companies) or any additional information.

QA reviews check complete applications to ensure that the following information was processed accurately:

- Completeness of the case identification information.
- Accuracy of the income computation.
- Points awarded correctly under each category.
- Points totaled correctly.
- The on-time benefit amount, if applicable;
- The crisis benefit, if applicable;
- Matrix form is signed and dated by the intake worker.

When performing QA checks, LSPs can follow the below guidelines:

- To reduce misplaced file documents, intake staff should write the application number on all documents.
- A high sampling of reviews should also be conducted on Zero Income Claimants, Self-Employed Denied Applications and applications completed by New EAP Intake Staff
- LSPs should make notes in the State's EAP database to track Quality Assurance (QA) reviews and monitoring.
- After the QA reviews are completed, LSPs should compile a list of errors and use that information as a tool for future program training and development.

During the annual program reviews, the monitor and/or monitoring consultants will ensure that all LSPs are compliant with these rules. The **ten percent (10%) of quality assured files** should be maintained through the end of the program year. LSPs can continue to correct all files and make changes in the State's EAP database up to the end of the EAP program year (September 30).

## **11.6 Confidentiality and Security**

Identifying applicants or clients as EAP recipients in an open forum (i.e. sign in sheets) is a violation of an individual's privacy and discloses confidential information. However, an LSP can identify individuals as customers.

All files should be easily accessible to appropriate staff without compromising confidentiality (e.g. locked file cabinets or password protected electronic systems such as

computers). Computers which LSP staff use to access client information should be shut down when not in use. Computer passwords to client databases should be changed at least every 60 days. The computer network and laptops should be protected with appropriate and up to date security software.

Confidentiality should also extend to the internal procedures, processes and outside contacts the LSP uses to administer the EAP program. LSP staff should never conduct conversations concerning EAP procedures in the presence of an applicant. Doing this may disclose internal procedures to the applicant. For example, LSP staff should not call a utility vendor to pledge payment while the applicant is listening.

Applicant or client files are for internal use only and should not be shared with any other local, state or federal program outside of your organization. However, the information belongs to the applicants or clients and can be provided to them, if requested. The client may then share that information with any person or organization he or she chooses. In addition, if the client wants the application discussed with an authorized representative, he/she must designate that authorized representative in writing. The client file should indicate that information was released to the applicant, client or representative. Records and Retention of EAP files is three (3) years.

The LSP must strike out all but the last four digits of the SSN and driver's license number, if the copy is retained in the eligibility file or any time the LSP releases information.

All client records are considered confidential and should be open only to authorized personnel. Such information cannot be shared with unauthorized individuals. Private/Non-Public information includes the following:

- Household member(s) name
- Social Security Number
- Birth date
- Home phone number
- Home address
- Health information (no health records should be kept by LSPs)
- Citizenship
- Disability status

LSPs are required to maintain completed Employee Confidentiality Agreement records for all staff who have access to any personal clientele information and/or access to the State's EAP database.

### **Program Forms**

Energy Assistance is a statewide program administered by various providers who each operate independently. To assure program consistency and integrity, certain functions of the EAP program must be standard across all service providers. For that reason any document that has an IHCD logo or is generated through the State's EAP database is proprietary to IHCD and must not be changed or altered by the local service provider.

In addition, the IHCD legal department has reviewed these documents to assure their compliance with state and federal guidelines.

### **Records Retention (Reference 75.361)**

The LSP **is strongly encouraged** to maintain a backup (electronic or hardcopy) of the application and supporting documentation outside of the State's EAP database system. However, hard copies of approved applications, denied applications and incomplete applications are no longer required.

LSPs **is strongly encouraged to** maintain all records relative to the client's application during the effective period of each grant agreement and for a period of three (3) years from the date the LSP submits to IHCD its final close out form, or one (1) year from the resolution of any outstanding administrative, program or audit question, or legal action, whichever is later.

LSPs shall protect all electronic and hardcopy documentation containing confidential client information. LSPs shall properly dispose of any electronic or hard copy documentation containing confidential client information after the required retention period. A proper disposal of this information is one that is reasonable and appropriate to prevent any unauthorized access to confidential client information. Approved disposal methods include:

- Burn, pulverize, or shred papers containing confidential client information so that the information cannot be read or reconstructed.
- Destroy or erase electronic files or media containing confidential client information so that the information cannot be read or reconstructed.
- Hire a document destruction contractor to dispose of confidential client information.

## **12. EAP Vendors**

**EAP vendors may be any vendor who supplies home energy commodities such as electricity, natural gas, oil, coal, propane, wood/wood pellets, kerosene or corn.**

Vendors are not allowed to deduct sales tax from the LIHEAP benefit. As applied to the sale of utilities to someone receiving LIHEAP benefits, the full amount of the customer's utility bill should be subject to sales tax. Thereafter, the monthly LIHEAP benefit should be applied to that bill without any deduction of sales tax. The client receives the entire LIHEAP benefit applied to the balance of their account. Eligible Wood Assistance

All wood vendors must have a valid MOA for the current EAP season or be willing to complete the MOA process. LSPs issue clients who heat with wood a *wood certificate* see [\*Appendix U - Energy Assistance Program Wood Vendor Certificate\*](#). This allows clients to select the vendor of their choice. Clients and vendors complete the wood certificate/voucher upon product delivery, and vendors return the voucher to the LSP for payment. To better serve wood clients, LSP should assist clients by maintaining a list of local wood vendors or by contacting neighboring LSP territories.

For eligible clients using wood (including corn pellets) as their primary heating source, LSPs should ensure that households meet the following criteria:

- Wood is the primary heat source. Wood is not covered when it is a supplemental heat source.
- Wood stove or a fireplace is being used to heat a home.
- Wood is being provided by a wood vendor. Applicants who cut their own wood are not eligible for heating assistance benefits.

Wood should meet the following standards:

- Wood vended for EAP must be a good density, such as cherry, hickory, oak, beech, birch, or ash. Types of wood not recommended are maple, elm, gum, sassafras, tulip, aspen, white pine, or poplar.
- Wood should be measured in *Ricks* which is 4' x 8' by 16" - 20" deep.
- Wood should be seasoned meaning at least one year old and dry.
- More than 1/3 to 2/3 seasoned ratios of green wood to dry wood should not be accepted.

## 12.1 Memorandum of Agreement (MOA)

To become a participating EAP vendor, all utility vendors must complete a Memorandum of Agreement (MOA) with IHCD, see [\*Appendix V - EAP Utility Vendor Memorandum of Agreement\*](#). These MOAs are signed every **two (2) years**. MOAs must be completed in their entirety and include payment (ACH (direct deposit)/check) information, see [\*Appendix L - ACH Direct Deposit Form\*](#). Utility vendors cannot be paid if there is no MOA on file. All vendors are required to complete a W-9 tax form, in addition to the MOA. If the vendor receives payments totaling \$600 or more, the vendor will receive an IRS tax form 1099 by January 31, detailing the total amount of payments received from the EAP program. To reference IRS tax forms, please see <https://www.irs.gov/forms-pubs>.

IHCD facilitates the MOU process by sending previous utility vendors an updated copy of the MOA prior to the start of the new program year. This creates a direct relationship between IHCD and the vendor. However, the LSP should provide the current MOA to new utility vendors and provide IHCD contact information to facilitate processing.

## 12.2 EAP Vendor Notification Procedure

The vendor must be notified of client eligibility once the application is fully completed, signed, and approved by the authorized LSP representative. If the household is ineligible or is pending eligibility determination, an EAP benefit amount should not be recorded on the application. The vendor should not be notified prior to the benefit determination. According to auditing standards set by the State Board of Accounts, cities, towns, and municipalities require receipt of payment before the benefit is uploaded to the client's account. It is important to notify clients that their EAP benefit may take up to sixty (60) days to process and that they should continue paying their utility bills according to their regular schedules. Regular and crisis benefits follow the same vendor notification procedure.

## 12.1 Transmittals

The EAP transmittal notifies the vendor that a household is approved and the benefit amount. The transmittal and the EAP claim submission are automatically created in the State's EAP database. The transmittal form will contain client information obtained directly from the approved EAP application. This notification should be sent to the vendor frequently if electronic transmission is available. It is particularly important to have timely transmissions for certain utility vendors' programs like Vectren's Universal Service Program and Nipsco's CARE program which provides a discount for EAP clients. Weekly submission of transmittals should be the standard.

The EAP transmittals will be signed and dated by the authorized LSP representative, then sent to the vendor through the vendor's preferred process (hard copy or electronic). The vendor reviews the transmittals and identifies any errors or changes in client's utility account. The vendor will sign and return the revised transmittal to the LSP prior the claim submission in the State's EAP database. Wood vendors do not have to sign a transmittal, the signed wood voucher is enough.

The LSP will submit the transmittal to IHCD for payment. Transmittals are signed by the LSP's representative and certify approval of the households and financial obligation to the vendor. Transmittals must be signed by the LSP before being submitted to IHCD for payment. All changes to the transmittal should be documented with the signature page. The LSP should maintain a copy of the transmittal.

When creating a transmittal, an LSP must use the legal name of the utility vendor or supplier. Abbreviations, common names, or a vendor description (i.e. wood) should not be used. Quality assurance adjustments regarding household eligibility or benefit adjustment should be indicated on the Vendor Transmittal Confirmation & Payment Summary in the State's EAP database.

The vendor payment package to the LSP should include:

- Transmittal with vendor signature that confirms account numbers and account holder names;
- Vendor Signature sheet for those who select electronic submission only. Original or electronic signatures are not necessary on electronic transmittals.

Once the transmittal has been submitted to IHCD Operations, no changes can be made. The LSP will need to send an overpayment remittance to make corrections. Quality assurance adjustments regarding household eligibility or benefit adjustment should be indicated noted in the State's EAP database.

LSPs must not provide sensitive information such as the applicant's full or partial social security number to a vendor or any other third party. The vendor should contact the applicant directly if it needs to confirm an applicant's information.



The vendor signature on the EAP transmittal certifies that the vendor has acknowledged the EAP enrollment and **credited the account (for regulated utilities) or delivered the fuel (unregulated)**. This will protect households **with regulated utilities** under the provision of the moratorium on disconnection from December 1st through March 15th.

LSPs should begin transmitting to regulated utilities as federal funds become available through IHCD. Regulated utilities should anticipate transmittals for eligible clients no earlier than the first business day in November. Transmittals should be sent to IHCD by the LSPs within five (5) calendar days of receipt from the utility vendors. Transmittals should not be sent to IHCD for payment until they have been approved, signed, and returned from the utility vendors. Delays in transmittals will cause delays in payment.

The LSP must submit a claim via IHCD Online to request that the payment be remitted to the vendor within five (5) calendar days of receipt of the signed transmittal. IHCD will receive the claim and confirm that a Memorandum of Understanding (MOU) has been received from the utility vendor. Wood vendors will need to also provide a copy of a W-9 tax form. Vendor payments cannot be made if IHCD does not have a current vendor MOU.

Payment is processed within fourteen (14) working days of receipt. The preferred method of payment is automatic clearinghouse (ACH) also known as direct deposit. However, vendors may request to receive paper checks. All payments are processed within 60 days of the completed application.

If the EAP Benefit is not completely used, it should be rolled over to the next billing cycle and placed on the customer's account as a credit. At the end of the program year, credits will remain on the customer's account. Funds are returned to IHCD only if the client's account is closed.

### **Correcting Transmittals**

Supervisors or override users are the only users that have access to update information on the transmittal prior to submission to fiscal. The utility vendor may send corrections to a transmittal or batch of transmittals when they return the signature approval page. When those corrections are received, the supervisor or override user must go into the client's account and update the account or benefit information as needed.

Once the transmittal has been submitted to fiscal, all changes must occur through the submission of additional transmittals or via overpayment remittances.

### **Credits**

If it is found that the client is due additional funds following a quality assurance or monitoring review, a transmittal is submitted to the vendor for the additional funds. These additional funds will be paid out of the agency's current allocation. If the agency has spent out all program funds and an additional amount is owed, it must be paid by the LSP using non-federal funds. Agencies should continue to charge client credits to their



current grant allocation, as long as the funds are available. Additional funds will not be allocated.

### **Overpayments**

An overpayment occurs when a client's benefit is miscalculated, resulting in an overpayment to the client. Once money is taken back from the client, it is returned to the State's overall LIHEAP budget. Funds are not added back into the LSP's budget. These funds must be returned to IHCD in the following way:

- If the error is detected within sixty (60) days of the application's initial approval: The funds are removed from the client's utility account and returned from the utility vendor. The utility vendor will send the payment along with the remittance to IHCD.
- If the overpayment is discovered after the sixty (60) days of the application's initial approval: the LSP must repay IHCD. LSPs must submit an overpayment remittance in **the State's EAP database** (formerly negative transmittal) as notification for payment.
- Utility vendors have the option to decline the overpayment request if services and/or discounts have been rendered to clients. If utility vendors opt not to pay for overpayments or put charges back on clients' accounts, the LSP will be required to remit the funds back to IHCD from its **unrestricted, non-federal**, corporate funds. Federal funds such as LIHEAP Leveraging, CSBG, or other federal funds cannot be used. IHCD will send a remittance for payment to the LSP.

### **Overpayment Procedure**

The LSP must send a notification to the client stating that a portion or all of the EAP benefit was revoked. This communication should include the LSP's reason. The client should be instructed to contact the utility vendor immediately to make payment arrangements and that disconnection may result otherwise.

The LSP should immediately contact the utility vendor. Overpayment notifications should be sent to the utility vendor only for approval. The utility vendor will receive a transmittal form and an overpayment remittance. If the utility vendor approves the overpayment notification, the utility vendor will sign and return a copy of the signed overpayment remittance with a check for the funds requested to IHCD. The utility vendor will sign and return the transmittal to the LSP. Upon receipt of the overpayment from the utility vendor, IHCD will notify the LSP that the overpayment has been received.

If the utility vendor rejects the overpayment request, the utility vendor will not sign the forms. The vendor will contact IHCD's Claims Specialist about rejecting the payment request. IHCD will send a request for payment to the LSP.

If the overpayment is detected more than 60 days after the application has been approved, the LSP **will be required to** submit a payment to IHCDa via check.

### **Benefit Refunds due to Closed Account**

A refund occurs when an EAP benefit was paid, but the account closed with a credit. This money is due back to IHCDa from the utility vendor. Utility vendor must issue IHCDa a refund check within sixty (60) days for the amount of overpayment along with the client name, LSP name, last known address and transmittal number.

The client **can** contact IHCDa for the credit within 90 days of receipt. **The credit will be applied to the client's new utility account.** The client must provide **new address** and utility information **including the new account number**. The credit will be sent to the new utility vendor. The client must complete and notarize the transfer request form, see ***Appendix W - Energy Benefit Transfer Request Form.***

If the client does not contact IHCDa for the credit within ninety (90) days of the receipt from the utility vendor, the refund will be reinvested into the **IHCDa's EAP** and used to fund additional benefits for other clients.

If a household moves out of the services area of their utility company, or leaves an open account with a balance due, the EAP benefit may be applied to the balance before any credit is returned to the IHCDa. **However, IHCDa cannot** pay on a closed or disconnected account.

## **12.2 Procedures for Fraud, Waste and Abuse**

If an LSP believes that an applicant has received a benefit in error, due to misrepresentation or false reporting of their household information, it must begin an investigation. Each LSP has the authority to request additional information from a household or independently verify information provided during the eligibility process.

The purpose of investigating fraud, waste and abuse is to:

- Ensure that energy assistance benefits are received in the correct amounts and only by those individuals who are eligible.
- Recover tax dollars obtained by participants through fraudulent activities, unintentional participant error, administrative error or non-compliance.
- Deter future occurrences of fraud and/or non-compliance within all energy assistance programs and to help maintain program integrity.

Fraud is defined as “wrongful or criminal deception intended to result in financial or personal gain.”

Waste is defined as “consuming, spending or expending thoughtlessly or carelessly.”

Abuse is defined as “misusing or using improperly or excessively.”

While all three (3) of these situations have serious financial implications for an LSP, fraud occurrences will likely be the most investigated. Fraud occurs when:

- A participant knowingly and willfully provides false information about his or her circumstance.
- When a participant intentionally fails to report changes in his or her circumstance in a timely manner in order to receive benefits for which he or she is not eligible.
- **When an employee of the LSP intentionally enters false information on behalf of the applicant in order for that applicant to qualify for benefits.**

To constitute fraud, the participant must know that the information he or she provides is false and that he or she did so with the intent to gain something of value.

Fraud, Waste and Abuse should not be confused with Non-compliance, which is the failure of the individual participant to act in accordance with the rules and regulations of the energy assistance programs.

A participant providing incorrect information by mistake is not committing fraud. Also, a participant does not commit fraud if he or she is unaware of his or her responsibility to provide certain information. The participant may provide false information for reasons other than to receive excess benefits, in which case he or she is not committing fraud. For instance, the participant may have an embarrassing situation which causes her to fail to report the actual circumstances of her situation. Or, there may be other reasons that need to be taken into consideration for concealing the truth or failing to report changes.

**Early Detection and Prevention:** Early Detection and Prevention is designed to detect and prevent fraud prior to authorization of energy assistance benefits. Effort needs to be taken to keep fraud and non-compliance from occurring in the first place. By practicing early detection and prevention, the intake worker can refer applicants who meet certain conditions to their supervisor for in-depth examination.

This begins with thorough training of all intake workers. The intake workers must be capable of conducting detailed eligibility interviews and identifying cases that need to be referred to their supervisor. An initial step is to check the Ineligible Applicant List in the State's EAP database. Applicants on this list should not be processed further.

Another step is to make sure that all applications are fully completed. Questions should be asked in all situations where the intake worker needs further clarification. Even with early detection and prevention, there will still be situations where clients receive benefits for which they are not entitled. Once this happens, notification is usually through a whistleblower, an anonymous tip, an agency monitoring or other action. This is when an investigation is initiated.

### **Investigating Fraud, Waste and Abuse**

LSP should follow this process:

- Check the Ineligible Application List.
- Conduct a fraud investigation.
- Notify IHCD of a fraud investigation and results when completed.

**Investigative Steps:** An investigation is a detailed examination or search to determine if an individual has committed an act of non-compliance or fraud and/or received benefits to which they were not entitled, resulting in a claim. When an investigation is started the following steps should be followed:

1. **An In-House Investigation:** These are things that can be done at the agency through the agency's records and database.

a. **Determine Eligibility Factors:** Based on the information received from the applicant, is he or she eligible for energy assistance? If there is a specific eligibility question for the applicable time period, consult the Energy Assistance Guidelines for that time period.

b. **Review Background Information:** Review background information that is available at the agency about the applicant. There are several different sources available:

- Previous EAP application
- The State's EAP database
- Public and Government Websites

Determine whether the information received from the applicant conflicts with any information found during the background checks or from an informant. If there are no conflicts, there is no need to proceed any further. If information does conflict in some way, further investigation is needed.

**Documentation:** It is vital that each step taken in the course of the investigation is documented in chronological order. This will provide a detailed and complete record of the processes used and the information obtained. Documentation will include investigator notes as well as copies of relevant documents. These are not just important for agency records, but also in situations where law enforcement will need to be involved. There are six (6) basic questions to keep in mind while collecting information during the course of any investigation:

1. **WHO.** The case should include the names, addresses and phone numbers of the applicant and other contacts made regarding the investigation.
2. **WHAT.** The case notes should reflect all the eligibility factors being investigated, such as income, household composition, resources, living arrangements, etc. Make sure the applicant is eligible in all areas, not just the area that prompted the investigation.
3. **WHEN.** Write down the date and time of all contacts made during the investigation. This will be needed should the case be appealed or if law enforcement gets involved.
4. **WHERE.** Write down the correct address, location and time of any interview, home visit or other fact gathering activity.
5. **WHY.** Write down the reasons for the investigation and reasons for any actions on the case.
6. **HOW.** Document the way in which the information was received.

**Potential Sources (to assist with the investigation):**

Employment Records: Does the name match on the income documentation? Does the social security number match the award letter or tax return? Does the participant work for the State of Indiana? Review records for tax deductions for children.

Utility and Phone Bill: Contact the utility and phone service providers to determine who is billed and pays for the service.

Landlord or Mortgage Company: Contact the landlord and ask if he or she knows who lives in the rental property. Obtain a copy of the rental agreement or mortgage papers to determine who is a party to the contract. Determine who pays the mortgage.

Courthouse and/or Recorders Office Records: Both of these areas are valuable sources of information. You will be able to determine recent loan, judgment, mortgage and real estate transfer activity of the participant or property owner. You can also search divorce, custody and marriage records.

Sheriff or Police Department: Local law enforcement agencies keep records of all calls and investigations. If law enforcement made a trip to the participant's address, it may have listed the names of all persons living there.

**Confidentiality**: The investigation of possible fraud, waste or abuse should be kept as confidential as possible. This is done to ensure the integrity of the investigation. The more people who know about an investigation, the greater the chances of the subject finding out about the investigation. Knowledge of and participation in an investigation should be shared only with necessary persons.

**Final Steps**: Once the violation has been identified, investigated and supporting documentation has been reviewed and corroborated by the agency, action needs to be taken against the participant's application or against his or her benefits if they have already been distributed. Actions taken can range from the rejection of the application to the termination of benefits and request for repayment of funds. The case can also be submitted to Federal Officials if the situation warrants.

**IHCDA recommendation**: To prevent fraud, waste and abuse of EAP benefits, the LSPs should review applications where the applicant and the landlord have the same last name.

The IHCDA Community Programs Manager and Compliance Attorney are available to assist at any phase of the investigation, if needed. Contact IHCDA Community Programs staff or Compliance Attorney to report all alleged or substantiated acts of fraud, waste and abuse.

### **Overpayment**

If the LSP confirms that a client should not have received a benefit, it will begin its process to request repayment from the household and contact IHCDA to ensure that the household members are added to the list of ineligible applicants until the time that payments are made.

The ineligible applicant(s) will be suspended from receiving benefits until those funds are repaid. Therefore, they will remain ineligible until the start of the next program year after they have repaid the benefit.

The LSP can make a recommendation that the household is ineligible from the program indefinitely, however this is subject to State approval. All applicants must be informed of their right to appeal.

### **Return of Funds**

When an LSP discovers that a household has undeclared income which allowed the household to receive benefits for which they were not entitled, the LSP must notify the client of that discovered income. If the client has already received an EAP benefit, he or she must return the benefit.

When an applicant returns funds to the LSP, checks should be made out to IHCD. The LSP should document the return in the applicant's file. The LSP should send the check, the applicant's information, application number and transmittal number to the IHCD Community Programs Manager.

## **13. Special Programs**

### **13.1 Lifeline/Link-Up**

The Lifeline program provides a discount on phone service for qualifying low-income consumers to ensure that participants have the security that phone service brings, including being able to connect to jobs, family and emergency services. The Lifeline benefit can lower or eliminate the cost of monthly phone or internet bills. The Lifeline program is available to eligible low-income consumers. Approved EAP households qualify for Lifeline.

Link-Up assistance helps qualified residents of federally recognized Tribal lands pay the activation fee or installation charges for Lifeline service. Participants must qualify for Lifeline and reside on federally recognized Tribal lands to qualify for Link-Up.

A simple application is available from your local telephone company or online from the Indiana Office of Utility Consumer Counselor. When returning the completed application to your phone company, the client must include documentation that they participate in EAP.

A consumer enrolled in EAP may be eligible if:

- The telephone service is listed in the client's name
- The client is not a dependent on another person's tax return
- The telephone service is for the primary residence.

Information about Lifeline can be found at

<https://www.fcc.gov/general/lifeline-program-low-income-consumers> or  
<http://www.lifelinesupport.org/lis/> or  
<http://www.in.gov/oucc/>

### 13.2 The USP (Universal Service Program)

The Universal Service Program (USP) is the result of an agreement among Vectren Energy Delivery of Indiana and Citizens Energy Group in Indianapolis, the Indiana Office of Utility Consumer Counselor, the Citizens Action Coalition of Indiana, the State of Indiana and a group of manufacturing and health providers. The USP (Universal Service Program) was renewed in May 2014 and will be renewable thru the year 2020.

**USP is** a program for Indiana gas customers and provides a monthly discount on residential gas charges during the heating season. By enrolling in the Energy Assistance Program, customers are automatically enrolled in USP. The monthly discount for Vectren customer is 15% to 32% and is applied from December through May 31(not including EAP benefits). For qualifying Citizens customers, monthly bill reductions will range from 10% to 15% of the total bill (not including EAP benefits).

To qualify for USP, a client must meet the following criteria:

- Enroll in and be eligible for assistance from EAP
- Must have residential gas heating
- Must reside at the service address
- Must have only one account in the client's name

The USP will also provide additional funding to Vectren and Citizens customers in the form of crisis assistance programs, which target qualified low-income households that need additional help to get reconnected and/or maintain heat throughout the winter. The programs will provide assistance to households up to 200% of the poverty level who might not otherwise be available for traditional assistance.

### 13.3 CARE Program (NIPSCO)

NIPSCO's Customer Assistance for Residential Energy (CARE) discount program provides bill reductions in addition to EAP for customers falling within 150 % of federal poverty guidelines. Once approved for EAP, customers are automatically enrolled in the program and reductions range from 11% to 26 % (not including EAP benefits), depending on the same criteria used by the state in determining the level of assistance through EAP. The monthly discount will be applied starting December 1 and will continue through May 31. If a client applies for EAP after December, the discount will be applied on the first bill after program enrollment.

### 13.4 Duke LED/CFL Program

The Duke **LED/CFL** Program is an energy conservation program designed to increase home energy efficiency through the distribution of CFL light bulbs. This program serves clients within Duke's service territory statewide including Area IV, Area Five, CFS, CAGI, CAPE, CASI, COWI, HSI, HUEDC, ICAP, LHDC, OVO, PACE, REAL, SCCAP, SIEOC, TRICAP, and WICAA.

Each client receives a kit that includes **LED or CFL** light bulbs shipped directly to his or her home. To be eligible to participate in the program, clients must use Duke as the electric service provider and must have never received CFL light bulbs from Duke previously. Once clients have been approved for an EAP benefit and eligibility has been verified, households will receive their kits within four to six weeks of the application date.

### **13.5 Family Development Program**

The Family Development Program focuses on strengthening the family by providing guidance and support to address issues that impede self-sufficiency. Family development should have an emphasis on energy conservation. The premise of the Family Development Program is that intensive case management services will increase the long-term stability of low-income families. **Some LSPs have their staff complete the certification process in order to better understand how to implement a Family Development Program, however certification is not required.**

### **13.6 Medical Programs**

#### **Hoosier Healthwise**

Hoosier Healthwise is a health insurance program for Indiana children, pregnant women, and low-income families. Health care is provided at little or no cost to Indiana families enrolled in the program. The enrolled member chooses a doctor to get regular checkups and health care for illnesses. Other health needs such as prescriptions, dental care, vision care, family planning services, and mental health services are also available as part of the Hoosier Healthwise program. Call 1-800-889-9949 to get information about the Hoosier Healthwise program.

#### **HoosierRx**

Indiana's State Pharmaceutical Assistance Program, Hoosier Rx, can help pay the monthly Part D premium, up to \$70 per month, for members enrolled in a Medicare Part D Plan working with Hoosier Rx. HoosierRx is a program for clients 65 years or older, and who meet specific income requirements. For information, LSPs can call a Hoosier Rx at 1-866-267-4679 or [www.IN.gov/HoosierRx](http://www.IN.gov/HoosierRx).

#### **Healthy Indiana Plan**

The Healthy Indiana Plan provides coverage for qualified adults ages 19-64. For more information log onto: <http://www.in.gov/fssa/hip/> or 1-877-877-GET-HIP-9

## **14. Leveraging Incentive Program**

**Leveraging programs have been discontinued since 2014. LSPs will no longer be able to claim leveraging funds. The below section is for information only, in case leveraging funds become available. LSPs will be notified if federal leveraging funds become available.**



In 1992, federal legislation established the Leveraging Incentive Program to reward States under the Low-Income Home Energy Assistance Program (LIHEAP) who have acquired non-federal home energy resources for low-income households. Leveraging Incentive Program funds will be awarded to those LSPs who play an active role in developing or acquiring dollars that represent a net addition to the total energy resources available to the low-income in their areas.

Under this program, Leveraging Incentive awards in one fiscal or program year (the award period) are based on countable leveraged resources that were provided to low-income households during the previous fiscal year (the base period).

States, territories, and tribes desiring Leveraging Incentive funds must submit an application each year - the federal "LIHEAP Leveraging Report" - that delineates the amount and types of leveraging activities they carried-out during the base period. HHS determines whether the reported activities meet the requirements of the statute and regulations, and therefore, are countable under the program for the purpose of determining allocation of the incentive award funds.

Once the State of Indiana receives a Leveraging award, it is allocated to the LSPs based on Leveraging activities that took place in their service area.

#### Countable Leveraged Resources

Leveraged resources means the benefits made available to Indiana's Energy Assistance Program, or to households qualifying for the program, insofar as the benefit represents a net addition to the total energy resources for the low-income client, expanding the effect of their federal LIHEAP funding.

Note that the households who "qualify" in this instance include any that have an income up to the federally established limit of 150% of poverty, whether they were an EAP recipient or not.

#### Leveraged Utility Bill Assistance

Any non-federal form of utility assistance to the low-income household may be reported by the agency as a leveraged resource. This would include assistance paid to or on behalf of a household by township trustees, local community organizations, churches, a landlord, or other individuals.

#### Utility Company Programs

Any utility vendor programs which benefit the qualifying population can be evaluated and counted as leveraged funds. This may include utility company fee waivers, discounts, deposit waivers, arrearage forgiveness, and/or the value of any other household benefit provided.

Also included is home weatherization or similar activities funded by utility companies. If the labor and/or materials are provided by the utility company, the values can be counted as leveraged funds.

### Fuel Fund Programs

Various activities are used to establish local fuel assistance funds to benefit the low-income. Efforts such as NIPSCO's "Gift of Warmth" and Duke Energy's "Helping Hand", programs that reduce a low-income consumer's bill can be counted as leveraging activities. IHCD is able to gather information from the major investor owned utilities doing business in Indiana. LSPs should look for other local fuel funds established by rural co-ops, municipal utilities, and bulk fuel vendors in their service territory.

### Donated/ Discounted Energy Related Items

Any energy related items donated to a LSPs on behalf of qualifying households, or donated directly to the household, may be counted for leveraging. Such items include weatherization materials and energy efficient lighting, thermostats, smoke alarms, carbon monoxide detectors, windows, and doors.

LSPs may be able to obtain discounts on fans and air conditioners for the Summer Cooling Program. If such items are either donated or discounted, the value of these donated goods and services may be countable. LSPs should not purchase or accept donations of portable heating devices because of the inherent danger associated with them such as fires and the high energy cost.

State leveraging: When available each agency will receive funding toward leveraging types of activities. IHCD will use the most recent Census data to distribute funds. These funds can be used for the following activities: deposits, reconnection fees, and fees associated with changing or adding a household resident to the utility bill. The agencies can provide assistance up to \$150 toward any balance that is not covered by the regular and crisis assistance provided by the LIHEAP funds. For unregulated utilities, agencies may not give a flat \$150 to unregulated utilities without supporting documentation or to prevent a second request for funding. Crisis assistance from this fund must be provided at the time of application only. In addition, State EAP funds administered after March 15 may be as Leveraging Funds to provide crisis assistance up to \$150. Agencies will add additional crisis assistance using "IHCD Crisis" as the funding source. If the client did not receive crisis at the time of application but is in need of crisis after March 15, to restore a disconnection; the LSP may apply the original \$150 crisis that was not used at the time of application in addition to the crisis amount they are currently eligible for after March 15, for a total up to \$300. LSP must document in the client files the need for applying the combined crisis amount.

### Fuel Discounts

Anytime a lower price for utility costs for a low-income household can be negotiated, the difference between the current price and the lower discount price can be counted as leveraged. In 1997, the Energy Assistance Program's Summer Fill Program began. Because it is a slow business time for most bulk fuel vendors, summer is a prime time for the local agencies to negotiate the delivery of bulk fuels at a lower price. In this instance,

the difference between the “regular” summer price and the negotiated price can be counted under leveraging.

#### Allowable Uses of Leveraged Funds

When the Leveraging Incentive Program awards are made to the states all of the funds are then distributed by IHCDA to the LSPs based on the portion leveraged in each service area. The funds received by the local LSP must be used to maintain or increase benefits to low-income households as a part of the Energy Assistance Program.

Leveraging funds should be used in the same manner as crisis funding to prevent disconnection or to assist with the reconnection of service. As with crisis, the amount of leveraging funds awarded should be up to \$200 for regulated utilities and up to \$400 for unregulated utilities. Funds may also be used to pay costs that are not eligible for payment under the regular EAP program. *This could include deposit and reconnect fees.* If it is impossible to prevent the disconnection or to assist with reconnecting services because the amount needed is too high, agencies may opt not to apply the benefit to the client’s account this would not solve the crisis.

Leveraged funds may not be used for administration or planning.

#### Utility Assistance

Leveraged funds may be used to augment the regular energy assistance benefits: heating, crisis, cooling, or summer fill benefits. This may mean the expansion of the number of households served but it may also include the awarding of funds to a household over and above the amount of the regular and crisis benefits, whenever the local LSP feels it is warranted. When awarding crisis assistance, agencies should use the same guidelines as awarding LIHEAP crisis assistance - up to \$200 for regulated utilities and up to \$400 for unregulated utilities.